



**भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India**

सहायक महाप्रबंधक

Assistant General Manager

र.सं.प.-निर्गम एवं सूचीबद्धता प्रभाग-2 / RAC-Division of Issues and Listing2

निगम वित्त विभाग / Corporation Finance Department

SEBI/HO/CFD/RAC-DIL2/P/OW/2023/1400/1

January 11, 2023

Mr. Sameer Purohit

ICICI Securities Limited

ICICI Venture House

Appasaheb Marathe Marg, Prabhadevi

Mumbai - 400025

महोदय / महोदया,

Madam / Sir,

विषय / Sub: Proposed IPO of Innova Captab Limited

उपरोक्त से संबंधित प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट), भारतीय प्रतिभूति और विनियम बोर्ड (सेबी) द्वारा मांगे गए स्पष्टीकरणों और उसके संबंध में दिए गए उत्तरों के संदर्भ में, यह सूचित किया जाता है कि इनकी जांच करने पर यह पाया गया है कि इनमें कमियाँ हैं / भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन, 2018] के प्रावधानों और दिए गए अनुदेशों का पालन नहीं किया गया है, और आपके लिए यह जरूरी है कि आप स्टॉक एक्सचेंज और / या कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले उन कमियों को दूर करें और संबंधित प्रावधानों तथा दिए गए अनुदेशों का पालन करें। उपरोक्त के संबंध में की गई टिप्पणियों का और जिन शर्तों आदि का पालन किया जाना है, उनका जिक्र संलग्नक 'I' और संलग्नक 'II' में किया गया है। कृपया यह भी नोट करें कि संलग्नक में जो कमियाँ बताई गई हैं / कुछ और प्रकटीकरण (डिस्क्लोज़र) करने की बात कही गई है, यह सब आपको केवल उदाहरण के तौर पर ही बताया गया है। यह सुनिश्चित करने की जिम्मेदारी आपकी है कि सभी और सही प्रकटीकरण किए जाएं।

With reference to the draft offer document in respect of captioned issue, clarifications sought by SEBI and the replies submitted therein, it is stated that on scrutiny of the same, deficiencies / instances of non-compliance of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as SEBI (ICDR) Regulations, 2018) and instructions have been observed, which are required to be rectified / complied with by you before filing the

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सेबी भवन, प्लॉट सं. सी 4-ए, "जी" ब्लॉक, बान्द्रा-कुर्ला कॉम्प्लेक्स, बान्द्रा (पूर्व), मुंबई - 400 051.

दूरभाष : 2644 9950 / 4045 9950 (आई.वी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax : 2644 9019 to 2644 9022 Web : www.sebi.gov.in



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offer document with the Stock Exchange and/ or ROC. Observations on the captioned issue and other conditions to be complied with are indicated in Annexure 'I' and 'II'. It may be noted that the deficiencies / requirement of additional disclosures listed in the Annexure are merely illustrative and not exhaustive. It is your responsibility to ensure full and true disclosures.

1. बुक रनिंग लीड मैनेजर होने के नाते, आप यह सुनिश्चित करेंगे कि स्टॉक एक्सचेंज / कंपनी रजिस्ट्रार के पास प्रस्ताव दस्तावेज दाखिल करने से पहले संलग्नक में दी हुई टिप्पणियों / शर्तों आदि के अनुसार प्रस्ताव दस्तावेज में बदलाव कर लिए जाएं। कंपनी रजिस्ट्रार / स्टॉक एक्सचेंज के पास अंतिम प्रस्ताव दस्तावेज दाखिल करने से पहले आपको हमें एक पत्र भेजकर इस बात की पुष्टि करनी होगी कि अपेक्षानुसार बदलाव कर लिए गए हैं और साथ ही यह भी बताना होगा कि प्रत्येक टिप्पणी / शर्त आदि के अनुसार बदलाव कैसे किए गए हैं। इसके अलावा और कोई भी बदलाव सेबी से लिखित सहमति लिए बिना नहीं किए जाएंगे।

As Book Running Lead Manager (LM), you shall ensure that all changes are effected based on the observations / conditions contained in the Annexure before you file the offer document with the stock Exchange / ROC. A letter confirming these changes and explaining, in seriatim, the manner in which each observation / condition has been dealt with along with your comments should be submitted to us, before filing the final offer document with ROC / Stock Exchange. **NO FURTHER CHANGES SHOULD BE EFFECTED WITHOUT SPECIFIC WRITTEN CONSENT OF SEBI.**

2. यह स्पष्ट किया जाता है कि भारतीय प्रतिभूति और विनिमय बोर्ड (सेबी) के पास प्रस्ताव दस्तावेज (ऑफर डॉक्यूमेंट) दाखिल करने का अर्थ किसी भी तरह से यह न लगाया जाए कि सेबी द्वारा इसे मंजूरी प्रदान कर दी गई है। सेबी न तो इस बात की कोई जिम्मेदारी लेता है कि जिस स्कीम या परियोजना (प्रोजेक्ट) के लिए निर्गम (इश्यू) लाए जाने का प्रस्ताव है उसकी वित्तीय स्थिति अच्छी है और न ही इस बात की जिम्मेदारी लेता है कि प्रस्ताव दस्तावेज में दी गई जानकारी या व्यक्त की गई राय सही है। अग्रणी प्रबंधकों (लीड मैनेजर्स) ने यह प्रमाणित किया है कि प्रस्ताव दस्तावेज में जो प्रकटीकरण (डिस्क्लोज़र) किए गए हैं वे मोटे तौर पर पर्याप्त हैं और जो प्रकटीकरणों (डिस्क्लोज़र) तथा निवेशक संरक्षण के संबंध में उस समय लागू सेबी के विनियमों के प्रावधानों के अनुसार किए गए हैं। अग्रणी प्रबंधक यह भी सुनिश्चित करेंगे कि ऐसा भारतीय प्रतिभूति और विनिमय बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 [सेबी (इश्यू ऑफ कैपिटल एंड डिस्क्लोज़र रिक्वायरमेंट्स) रेग्यूलेशन्स, 2018] के अनुसार भी किया जाए। ऐसा करना इसलिए जरूरी है, ताकि निवेशक प्रस्तावित निर्गम (इश्यू) में निवेश करने के संबंध में सोच-समझकर निर्णय ले सकें।

It is to be distinctly understood that submission of offer document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the offer document. The LMs have certified that

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the disclosures made in the offer document are generally adequate and are in conformity with SEBI regulations for disclosures and investor protection in force for the time being. The LMs are advised to ensure the same with respect to SEBI (ICDR) Regulations, 2018. This requirement is to facilitate investors to take an informed decision for making investment in the proposed issue.

3. यह भी पूरी तरह से स्पष्ट किया जाता है कि यद्यपि इस बात की जिम्मेदारी मुख्य रूप से निर्गमकर्ता (इश्युअर) कंपनी की होती है कि प्रस्ताव दस्तावेज में समस्त जरूरी जानकारी प्रकट की जाए और जो सही और पर्याप्त हो, फिर भी अग्रणी प्रबंधकों (लीड मैनेजर्स) से अपेक्षित है कि वे यह सुनिश्चित करने के लिए पूरी तत्परता (ड्यू डिलिजेंस) बरतें कि कंपनी अपनी जिम्मेदारियाँ सही ढंग से निभाए, और इसी उद्देश्य से अग्रणी प्रबंधकों ने भारतीय प्रतिभूति और विनिमय बोर्ड (इश्यू ऑफ कैपिटल एंड डिस्कलोजर रिक्वायरमेंट्स) रेग्यूलेशन, 2018 के अनुसार सेबी के पास पूरी तत्परता बरते जाने के संबंध में तारीख February 15, 2022 का प्रमाणपत्र (ड्यू डिलिजेंस सर्टिफिकेट) प्रस्तुत किया है ।

It should also be clearly understood that while the Issuer Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the offer document, the LMs are expected to exercise Due Diligence to ensure that the Company discharges its responsibility adequately in this behalf and towards this purpose, the LMs have furnished to SEBI a Due Diligence Certificate June 28, 2022 in accordance with SEBI (ICDR) Regulations, 2018.

4. हालाँकि, कंपनी प्रस्ताव दस्तावेज दाखिल कर देने से ही कंपनी अधिनियम, 2013 की धारा 34 के तहत दी गई किसी भी बाध्यता से मुक्त नहीं हो जाती या वह कानूनी प्रावधानों के अनुसार ली जाने वाली मंजूरी या ऐसी कोई अन्य मंजूरी लेने से मुक्त नहीं हो जाती, जो प्रस्तावित निर्गम के संबंध में लेनी जरूरी हो । हालाँकि, सेबी प्रस्ताव दस्तावेज में कोई अनियमितता या कमी पाए जाने पर कभी भी अग्रणी प्रबंधकों के खिलाफ कार्रवाई कर सकता है ।

The filing of offer document does not, however, absolve the company from any liabilities under Section 34 of 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 LMs any irregularities or lapses in offer document.

5. किसी भी प्रचार सामग्री या विज्ञापन में ऐसा कुछ भी उल्लेख नहीं किया जाएगा, जो प्रारूप प्रस्ताव दस्तावेज (ड्राफ्ट ऑफर डॉक्यूमेंट) में दी गई जानकारी से भिन्न हो । इस संबंध में आपका ध्यान विशेष रूप से कंपनी अधिनियम, 2013 की धारा 36 के प्रावधानों की ओर आकर्षित किया जाता है ।

Any publicity materials / advertisements should not contain matters extraneous to the information contained in the draft offer document. **Attention is specifically drawn to the provisions of Section 36 of the Companies Act, 2013.**

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6. अग्रणी प्रबंधक यह सुनिश्चित करें कि भारतीय प्रतिभूति और विनियम बोर्ड [पूँजी का निर्गमन (इश्यू) और प्रकटीकरण अपेक्षाएँ] विनियम, 2018 के विनियम 25(1) और अनुसूची- III के अनुसार उपरोक्त निर्गम (इश्यू) के संबंध में फाइलिंग फीस की गणना किस प्रकार की गई है उसका एक विस्तृत विवरण, यथास्थिति, कंपनी रजिस्ट्रार के यहाँ प्रॉस्पेक्टस दाखिल किए जाने के सात दिनों के भीतर / स्टॉक एक्सचेंज के पास प्रस्ताव-पत्र (लेटर ऑफ ऑफर) दाखिल किए जाने के सात दिनों के भीतर, सेबी के पास प्रस्तुत कर दिया जाए और साथ ही अब तक अदा की गई फाइलिंग फीस का ब्यौरा भी दिया जाए ।

The LMs are advised to ensure that a detailed calculation of filing fees in relation to the captioned issue in terms of regulation 25(1) and Schedule III of the SEBI (ICDR) Regulations, 2018 is submitted to SEBI within seven days of filing the Prospectus with ROC/ within seven days of filing the Letter of Offer with the stock exchange, as the case may be, along with details of filing fees paid till date.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से कम हो, तो ऐसे में अग्रणी प्रबंधक यह सुनिश्चित करेंगे और इस बात की पुष्टि करेंगे कि सेबी को शेष फीस अदा किए जाने के संबंध में इन विनियमों की अनुसूची-III के प्रावधानों का पालन किया गया है ।

If filing fees paid by you is less than the actual fees required to be paid, the LMs are advised to ensure and confirm compliance with the provisions of Schedule III of the said Regulations in regard to payment of the balance fees to SEBI.

आपने जो फीस अदा की है, यदि वह वास्तव में अदा की जाने वाली फीस से अधिक हो, तो ऐसे में आप सेबी को सूचित करेंगे कि कितनी फीस लौटाई जानी है, साथ ही आप यह भी बताएंगे कि आपने लौटाई जाने वाली फीस की रकम की गणना कैसे की है और सेबी को किसके नाम पर चेक जारी करना होगा ।

If filing fees paid by you are more than the actual fees required to be paid, you are advised to inform SEBI about the amount to be refunded, along with detailed calculation of amount refundable and name of the person in whose favour, the cheque may be issued by SEBI.

7. प्रस्तावित निर्गम (इश्यू) इस अभिमत पत्र के जारी होने की तारीख से 12 महीनों के भीतर पैसा लगाने (अभिदान करने / सब्सक्रिप्शन) के लिए खोला जा सकता है ।

The proposed issue can open for subscription within a period of 12 months from the date of issuance of this observation letter.

Place: Mumbai


Sonal Pednekar



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Annexure I

OBSERVATIONS

1. Please refer to our email dated July 21, 2022, and the response from LM dated August 3, September 22, 2022 and all other correspondences exchanged. Wherever the LM has undertaken to modify/delete/amend the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the UDRHP/RHP.
2. Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires LM to exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosures in the offer document. In view of the same, LM is advised to ensure that:
 - i. The offer document shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company / Expert.
 - ii. The "Industry Overview" section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision.
3. LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.
4. LM is advised to ensure that UDRHP is filed with SEBI not less than seven working days prior to submission of the draft price band advertisement.
5. LM is advised to take note of amendments to ICDR Regulations dated November 21, 2022 with respect to Key Performance Indicators and ensure compliance with the same.
6. LM is advised to ensure that UDRHP contains necessary updated disclosures justifying the offer price under Section "Basis for offer price", "Risk Factors" etc., particularly emphasizing on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates, in quantitative terms, with corresponding suitable explanations so as to justify the offer price. (For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the ICDR Regulations (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6 (2) of the ICDR Regulations)



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7. LM is advised to disclose segregated amount of fresh issuances which shall be utilized for repayment of loans of the Company.
8. **Summary of the offer document:** LM is advised to include ratio of split and bonus issue dated April 4, 2022 and April 27,2022, respectively. Further, LM is advised to disclose that CCPS will be converted into equity shares prior to filing of RHP.
9. **Risk Factors** - (i) Every risk factor shall be provided with a cross-reference to the detailed description of the facts / reasons in the DRHP, wherever applicable. (ii) In all risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately.
10. LM is advised to use only restated financial information under all the risk factors.
11. **Risk Factor 1:** LM is advised to delete '*In addition, because of their nature.....does not represent our factual results of operations or financial condition*' and include that Proforma Condensed Consolidated Financial Information has not been prepared in accordance with generally accepted accounting principles including accounting standards.
12. **Risk Factor 5:** LM is advised to remove the word 'leading' and include number of Indian pharmaceutical companies who are CDMO customers.

Further, LM is advised to modify stating that any reduction in number of CDMO customers and any adverse developments or inability to enter into or maintain relationships with these CDMO customers could have an adverse impact on the business, results of operations and financial conditions.

LM is also advised to add the percentage of revenue from operations from CDMO business in the same table.
13. LM is advised to include RF 5 and 11 sequentially.
14. **Risk Factor 14:** LM is advised to redraft the heading to reflect the risk explained in the third paragraph.
15. **Risk Factor 16:** LM is advised to include this RF as top 15.
16. **Risk factor 17:** LM is advised to include this RF as top 10 and modify the heading as: '*Our business is capital intensive. Any insufficient cash flows from our operations or inability to borrow to meet our working capital requirements may materially and adversely affect our business and results of operations*'.

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17. **Risk Factor 19:** LM is advised to delete 'which are routine in nature.'
18. **Risk factor 21:** LM is advised to include it under top 15 risk factors.
19. **Risk Factor 22:** LM is advised to include it under top 10 risk factors.
20. **Risk Factor 29:** LM is advised to redraft heading stating that export is from sale of goods and import for raw materials.
21. **Risk Factor 34:** LM is advised to include it under top 10 risk factors.
22. **Risk Factor 44:** LM is advised to disclose amount of outstanding debt and date of availing the same.
23. **Risk Factor 57:** LM is advised to remove future reference in the heading.
24. **Risk Factor 58:** LM is advised to redraft heading of the risk factor.
25. LM is advised to include a separate risk factor in top 10 that more than 90% of the raw materials are imported from one country (i.e. China).
26. LM is advised to include separate risk factor in top 15 regarding that nearly 30% of revenue is from related parties.
27. LM is advised to include separate risk factor in case there is any delay in expansion of existing plants.
28. **Capital Structure:** LM is advised to include a table showing pre-issue number of shares held and percentage holding for promoter, promoter group and selling shareholder.
29. Page 94: LM is advised to remove legal counsel to the BRLMs as to Indian Law.
30. LM is advised to ensure compliance with respect to provisions of independent directors as per SEBI LODR regulations.
31. Page 104: LM is advised to disclose reason for reduction in shareholding from 39.98% to 30.23% of Gian Parkash Aggarwal or alternatively, provide a table as given in 7(iii) for promoters on page 105.
32. Page 116/117: LM is advised to remove future projections.
33. Page 171: LM is advised to disclose break up of revenue for CDMO business and other business.



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34. Page 207: LM is advised to disclose brief financial highlights for past 3 years and also include nature of activities carried out for all subsidiaries.
35. Page 237: LM is advised to provide details of promoters, brief financials for past 3 years and nature of activities undertaken by all group companies.
36. LM is advised to ensure that the main / sub-headings in the UDRHP / RHP do not have any abbreviations.
37. LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City / State, as the case may be.
38. LM is advised to include updated audited financials at the time of filing UDRHP/RHP.
39. Page 413: LM is advised to disclose risk and the impact of recall of products under para (b).
40. LM is advised to asses and disclose the impact (if any), if the cases are not in favour of the Company/directors.
41. With respect to all the complaints received by LM / Company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.
42. LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate risk factors in this regard.
43. LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:

"Risks to Investors:

- i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."*
- ii. Any adverse data in the basis for issue price should be disclosed. For example:*



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- “The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed].”

[if average industry peer group PE ratio is not available, then P/E of Nifty Fifty may be disclosed]

- “Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed].”
- “Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed] %.”

The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should be disclosed.

44. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.

45. LM is advised to ensure compliance with the below email advisory sent to AIBI through email dated November 13 and November 15, 2021 and amendment to ICDR dated November 21, 2022:-

- LM shall ensure that all issuer companies filing offer document should provide - Price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format – name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.
- The portion pertaining to “Risks to Investors” shall constitute at least 33% of the price band advertisement space.
- The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years, 18 months and 1 year, from the date of RHP, in the following format :

Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in Rs.)
Last 1 year			

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Last 18 months			
Last 3 years			

Range of acquisition should show lowest price of acquisition excluding gift/bonus.

- d. *The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.*
- e. *Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/ Offer Programme and other offer details, and can be of smaller font.*

The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.

46. LM is advised to suitably incorporate the comments of the stock exchanges, if any in the UDRHP/RHP.

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Annexure II

General Observations

1. LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.
2. LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.
3. LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.
4. LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the RHP or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.
5. LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.
6. In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.
7. LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.
8. In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.

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9. ASBA:

- i) LM is advised to ensure that sufficient number of Physical ASBA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centers as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.
- ii) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:

- a. The following may appear just below the price information of the issue as shown below:

“PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH

THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE

BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.

ASBA .

(APPLICATION SUPPORTED BY BLOCKED AMOUNT)

Simple, Safe, Smart way of Application !!!

Mandatory in public issue .No cheque will be accepted



now available in ASBA for retail individual investors.

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* 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 below."

b. The following paragraph on ASBA may be inserted in the advertisement/Communications:

"ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Issue Procedure - Issue Procedure of ASBA Bidders" beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document."

*ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.** List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**.*

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December 6, 2023

Securities and Exchange Board of India

Corporation Finance Department
Division of Issues and Listing - 2
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051, Maharashtra, India

Kind Attention: Ms. Sonal Pednekar, Assistant General Manager

Dear Madam

Re: Proposed initial public offering of equity shares of face value of ₹ 10 each (the "Equity Shares") of Innova Captab Limited (the "Company") comprising of a fresh issue of Equity Shares aggregating up to ₹ 3,200.00 million ("Fresh Issue") and an offer for sale of up to 9,600,000 Equity Shares ("Offered Shares") aggregating up to ₹ [●] million, comprising of up to 3,200,000 Equity Shares aggregating up to ₹ [●] million by Manoj Kumar Lohariwala, up to 3,200,000 Equity Shares aggregating up to ₹ [●] million by Vinay Kumar Lohariwala (together with Manoj Kumar Lohariwala, referred to as the "Promoter Selling Shareholders") and up to 3,200,000 Equity Shares aggregating up to ₹ [●] million by Gian Parkash Aggarwal (the "Other Selling Shareholder", and together with the Promoter Selling Shareholders, referred to as the "Selling Shareholders", and such offer for sale of equity shares by the Selling Shareholders, referred to as the "Offer for Sale"). The Offer for Sale together with the Fresh Issue is referred to as the "Offer".

This is with reference to the letter bearing reference number SEBI/HO/CFD/RAC-DIL2/P/OW/2023/1400/1 dated January 11, 2023 (the "**Final Observations**"), issued by the Securities and Exchange Board of India ("**SEBI**"), in connection with the draft red herring prospectus of the Company dated June 28, 2022 (the "**Draft Red Herring Prospectus**" or "**DRHP**"), as amended by the addendum dated September 12, 2023 (the "**Addendum**"), each filed with SEBI in relation to the Offer.

The Company now wishes to file a draft of its red herring prospectus (the "**UDRHP**") with SEBI prior to filing of the red herring prospectus ("**Red Herring Prospectus**" or "**RHP**") with the Registrar of Companies, Maharashtra at Mumbai, ("**RoC**"), SEBI and the relevant stock exchanges ("**Stock Exchanges**").

In this regard, based on the confirmations, information and documents made available to us, representations of the Company and our discussions with representatives of the Company, please find enclosed the following:

1. In-seriatim response to the Final Observations, attached as **Annexure A**, along with references to the relevant page numbers of the UDRHP, where such observations have been addressed.
2. A draft of the UDRHP in clean mode, attached as **Annexure B**, which includes all the changes and updates made to the DRHP, and a blackline of the UDRHP against the DRHP, attached as **Annexure C**, to indicate the changes made to the DRHP. Please note that in the blackline version, all insertions in the UDRHP appear as underlined text while the deletions appear as strikethrough text. However, the updated financial information, including the updated proforma financial information, have been included, in the final form and without track changes, for ease of reference. The page number references in this letter relate to the

	
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relevant pages in either the clean copy or the blackline copy of the UDRHP as indicated at the relevant column. Please note that where the page number of the blackline copy has been provided, the page number of the PDF file has been provided.

The Company has made a payment of ₹ 30,000.00 (Rupees thirty thousand only) plus GST at the rate of 18% aggregating to ₹ 35,400 (Rupees thirty five thousand and four hundred only) on December 5, 2023, as per mentioned below table towards additional fees as specified in as specified in Schedule III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”) read with Regulation 25(6) and Schedule XVI of the SEBI ICDR Regulations, in respect of updates to certain sections in the UDRHP.

Particulars	Details
Fee paid for updates to the DRHP	₹ 30,000
GST paid	₹ 5,400
Total Additional Fee	₹ 35,400
Payment reference number/Tracking ID	2616004/113099015015
Payment Date	05-12-2023
GST Registration Number	02AABCH5082R2ZA
GST Registered Dealer Name	Innova Captab Limited
GST Registered Office Address	1281/1 Hill Top, Jharmajri, Baddi, District Solan, Himachal Pradesh
Location from where payment was discharged	Panchkula

The relevant extract as proof of payment being made is attached herewith as **Annexure D**.

We have set out below a tabular description of the compliance with the requirements specified in Schedule XVI, read with Regulation 25(6), of the SEBI ICDR Regulations:

(a) Changes which require fresh filing of the draft offer document with SEBI, along with fees:

S. No.	Nature of Update	Applicability
1.	Change in promoter of the issuer.	Not applicable
2.	Change in more than half of the board of directors of the issuer.	Not applicable
3.	Change in main object clause of the issuer.	Not applicable
4.	Any addition to objects of the issue resulting in an increase in estimated issue size or estimated means of finance by more than twenty per cent.	Not applicable
5.	If there are grounds to believe that there is an exacerbation of risk on account of deletion of an object resulting in a decrease in issue size by more than twenty per cent.	Not applicable
6.	Any Increase or Decrease: (i) In case of a fresh issue: any increase or decrease in estimated issue size by more than twenty percent. of the estimated issue size; or (ii) In case of an offer for sale: any increase or decrease in either the number of shares offered for sale or the estimated issue size, by more than fifty per cent.; or (iii) In case of an issue comprising of both fresh issue and offer for sale: the respective limits as above shall apply.	Not applicable

	
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S. No.	Nature of Update	Applicability
7.	Any increase in estimated deployment in any of the objects of the issue by more than 20%.	Not applicable
8.	Changes which may result in non-compliance with the provisions of the SEBI ICDR Regulations and the lead managers or the Company do not intend to seek relaxation under Regulation 303 of the SEBI ICDR Regulations.	Not applicable

(b) Changes which require filing of the updated offer document with SEBI, along with fees:

Nature of changes which require filing of an updated offer document with SEBI, along with fees		Applicability
Section 1: Risk Factors:	Any material development which may result in potential risk and require updation in this section.	Applicable. The risk factors disclosed in the section titled “ <i>Risk Factors</i> ” of the UDRHP have been revised to reflect: (a) updates to the business of the Company since the date of filing of the DRHP and pursuant to inclusion of financial statements for the three months ended June 30, 2023, and the financial years ended March 31, 2023, and March 31, 2022, in the Restated Consolidated Financial Information, and the inclusion of the updated Proforma Condensed Consolidated Financial Information for the financial year ended March 31, 2023 to reflect the acquisition of Sharon Bio-Medicine Limited by the Company, (b) updated operational data pertaining to the business of the Company, (c) updates with respect to the legal proceedings involving the Company, (d) factual updates which have occurred post filing of the DRHP, and (e) changes in accordance with the responses to initial interim and Final Observations, and emails or other communications, received from SEBI, and the observations and emails received from the Stock Exchanges in this regard.
Section 2: Capital Structure	An aggregate increase of 5% or more in the shareholding of the promoter or promoter group or an aggregate increase of 5% or more in the shareholding of the top ten shareholders.	Not applicable
Section 3: Issue Size	Any addition or deletion to the objects of the issue resulting in a change in the estimated issue size or estimated means of finance by more than 10% and not exceeding 20%.	Not applicable

	
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Nature of changes which require filing of an updated offer document with SEBI, along with fees		Applicability
Section 4: Management	Appointment of any new director.	Not applicable
Section 5: Promoter Group	Any addition to the promoter group or group companies.	Not applicable
Section 6: Financial Statements	Any variation in net profits after tax or net loss after tax and / or extraordinary items in excess of 10% over the last updated financials submitted to SEBI.	Applicable. The UDRHP has been updated to include the ' Restated Consolidated Financial Information ' comprising the restated consolidated financial information of the Company and its Subsidiaries, as of and for the three months ended June 30, 2023, and as of and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021.
Section 7: Legal and other information	Any new litigation or any development about a pending litigation which is material in view of the merchant bankers	Applicable. The section titled " <i>Outstanding Litigation and Material Developments</i> " beginning on page 424 of the UDRHP has been updated as follows: (i) to reflect changes in the status of the legal proceedings disclosed in the DRHP, where applicable; (ii) to include details of outstanding criminal proceedings, pending tax claims and other material litigation involving Sharon Bio-Medicine Limited, our Subsidiary acquired subsequent to the date of filing of the DRHP; and (iii) to include details of certain new outstanding litigation.

Except as mentioned above, there are no other changes made to the DRHP which require payment of additional fees pursuant to paragraph 2(d) of Schedule III read with paragraph 2 of Schedule XVI of the SEBI ICDR Regulations.

We undertake to submit a detailed calculation of filing fees in terms of Regulation 25(6) and Schedule III of the SEBI ICDR Regulations within seven days of the filing of the Prospectus with the RoC, along with details of filing fees paid till date, in accordance with the Final Observations.

In addition, please see below the key updates since the date of filing of the DRHP in relation to the Company and the proposed Offer that have been included in the UDRHP, and shall be included in the RHP and the Prospectus.

Key updates

	
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Please find below the key updates since the date of the DRHP in relation to the Company and the proposed Offer that have been included in the UDRHP. The information contained in the DRHP has been updated to reflect the position of the Company as of a recent date and to address the observations, to the extent applicable, made by SEBI in the SEBI Observations (*defined below*):

1. Amendments to the SEBI ICDR Regulations notified on July 25, 2022, November 21, 2022, January 13, 2023, and May 23, 2023, and changes introduced pursuant to the SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023

Amendments to the SEBI ICDR Regulations were notified on July 25, 2022, November 21, 2022, January 13, 2023, and May 23, 2023. Accordingly, updates to the UDRHP have been made pursuant to these amendments, to the extent applicable, including the identification of the Senior Management of the Company, pursuant to which the section titled “*Our Management*” has been updated in the UDRHP, and the disclosure of certain key performance indicators of the Company as required in terms of the SEBI ICDR Regulations, pursuant to which the section titled “*Basis for the Offer Price*” has been updated in the UDRHP.

Pursuant to SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, the timeline of T + 6 days from the bid / offer closing date until the date on which the equity shares of the Company are listed on the Stock Exchanges has been mandatorily reduced to T + 3 days for public issues opening on or after December 1, 2023. Accordingly, updates to the UDRHP have been made to reflect that the Offer will be undertaken with the reduced T + 3 timelines, including to the section titled “*Offer Procedure*”.

2. Updates pursuant to the acquisition of Sharon Bio-Medicine Limited (“Sharon”) by the Company

As highlighted in the Addendum, the Company acquired Sharon, a listed entity, through the corporate insolvency resolution process (“**CIRP**”) under the Insolvency and Bankruptcy Code, 2016 (“**IBC**”) before the Hon’ble National Company Law Tribunal, Mumbai Bench (“**NCLT**”). In accordance with the terms of the resolution plan approved by the NCLT, Univentis Medicare Limited (“**UML**”), a Subsidiary of the Company, infused ₹ 1,954.00 million into Sharon on June 26, 2023. The implementation of the plan was completed on June 30, 2023, the closing date as per the approved resolution plan, and subsequently, control and sole ownership over Sharon was established, pursuant to which Sharon became a wholly owned subsidiary of UML as of June 30, 2023. The UDRHP has been updated to include updates and additional disclosures as may be required under the SEBI ICDR Regulations in connection with the Company’s acquisition of Sharon, including in the sections titled “*Our Business*”, “*Risk Factors*”, “*History and Certain Corporate Matters*”, “*Outstanding Litigation and Other Material Developments*”, “*Government and Other Approvals*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”.

3. Appointment of new Chief Financial Officer and a deputy Chief Financial Officer of the Company

At the time of filing the DRHP, the late Rishi Gupta was the chief financial officer of the Company. The Company has appointed Gaurav Srivastava as its new Chief Financial Officer on August 12, 2023. In addition, Mukesh Kumar Singh, who is the deputy chief financial officer of the Company, was designated as a Key Managerial Personnel with effect from June 30, 2023 pursuant to a resolution of the Board of Directors dated November 10, 2023. Accordingly, the UDRHP has been updated to reflect the appointment of a new Chief Financial Officer, including disclosures in connection with Gaurav Srivastava’s appointment, his profile, the updated management organisation, etc., as required under the SEBI ICDR Regulations. The UDRHP has also been updated to reflect Mukesh Kumar Singh’ details including his profile as a Key Managerial Personnel of the Company.

	
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4. **Completion of Pre-IPO Placement and revision of the size of the Fresh Issue pursuant to the Pre-IPO Placement**

As informed in our letters to SEBI dated July 8, 2023, and July 22, 2022, the Company, in consultation with the BRLMs, had initially undertaken a pre-IPO placement by way of a private placement of 1,412,430 compulsorily convertible preference shares (“CCPSs”) at a price of ₹ 354.00 per CCPS (including a premium of ₹ 344.00) aggregating to ₹ 500.00 million. Thereafter, the Company, in consultation with the BRLMs, has undertaken another pre-IPO placement by way of a private placement of 669,642 Equity Shares with 334,821 Equity Shares allotted each to 360 One Special Opportunities Fund - Series 9 and 360 One Special Opportunities Fund - Series 10 at a price of ₹448.00 per Equity Share (including a premium of ₹438.00) aggregating to ₹300.00 million. Please note that the Company published advertisements dated July 8, 2023 and December 5, 2023, in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and the Mumbai edition of Navshakti (a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra where our Registered Office is located), with all the relevant details of the Pre-IPO Placements.

The size of the Fresh Issue of up to ₹ 4,000.00 million as disclosed in the DRHP has, in the aggregate, been reduced by ₹ 800.00 million, pursuant to the two pre-IPO placements discussed above (“**Pre-IPO Placement**”) and, accordingly, the revised size of the Fresh Issue is up to ₹ 3,200.00 million. Appropriate disclosures in this regard have been updated in the UDRHP, including in the sections titled “*Definitions and Abbreviations*”, “*Summary of the Offer Document*”, “*Capital Structure*”, “*Objects of the Offer*” and “*Offer Structure*”.

Further, the Company had amended its Articles of Association on July 19, 2022, to enable the issuance of the CCPSs pursuant to the Pre-IPO Placement, as intimated to SEBI vide our letter dated July 22, 2022. However, pursuant to the e-mail dated June 28, 2023 received from SEBI, the Articles of Association have been further amended in order to ensure that no special rights are available to the Promoters / Shareholders of the Company in the Articles of Association, at the time of filing of the Red Herring Prospectus. As a result, Part-B of the Articles of Association have been deleted and Part-A of the Articles of Association have come in effect and in force. Accordingly, the Articles of Association as appearing in the section titled “*Main Provisions of the Articles of Association*” have been updated in the UDRHP to reflect the amendment to the Company’s Articles of Association.

The CCPSs have been converted into 1,412,430 Equity Shares on December 1, 2023. Details in connection with the conversion of the CCPSs into Equity Shares have been updated in the UDRHP, including in the section titled “*Capital Structure*”.

5. **Change in the registered office of the Company**

Pursuant to the resolution of the shareholders of the Company passed on October 16, 2023, the Company has changed its registered office with effect from October 16, 2023, from Office No. 606, Ratan Galaxie – 6th Floor, Plot No. 1, J. N. Road, Mulund (W), Mumbai, Maharashtra 400 080, India to 601, Proxima, Plot No. 19, Sector 30 A, Vashi, Navi Mumbai, Maharashtra 400 705, India. Appropriate updates have accordingly been made to the UDRHP, including to the cover page and the sections titled “*General Information*” and “*History and Certain Corporate Matters*”.

	
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6. Updated financial information

The financial information of the Company has been updated to include (i) the restated consolidated financial information of the Company for the three months ended June 30, 2023, and the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021, and (ii) the proforma condensed consolidated financial information of the Company, prepared on a voluntary basis, for the financial year ended March 31, 2023, to reflect the acquisition of Sharon Bio-Medicine Limited by the Company, comprising the proforma condensed consolidated statement of profit and loss which has been prepared as if the acquisition occurred immediately before the start of the financial year ended March 31, 2023, and the proforma condensed consolidated balance sheet which has been prepared as if the acquisition occurred as at March 31, 2023. Accordingly, the sections titled “*Summary Financial Information*”, “*Restated Consolidated Financial Information*” and “*Proforma Condensed Consolidated Financial Information*” have been updated in the UDRHP. Further, pursuant to the updated financial information being available, appropriate updates have been made to the sections titled “*Summary of the Offer Document*”, “*Risk Factors*”, “*Basis for the Offer Price*”, “*Other Financial Information*”, “*Capitalisation Statement*”, “*Our Business*”, “*Outstanding Litigation and Other Material Developments*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, amongst others.

The section titled “*Statement of Special Tax Benefits*” has been updated in the UDRHP to include the revised statement of special tax benefits available to the Company, its shareholders and its Material Subsidiaries provided by B S R & Co. LLP, Chartered Accountants, the statutory auditors of the Company.


7. Updates in business, industry and operational data

The operational data and key performances indicators disclosed in the DRHP have been updated in the UDRHP to include details as of a later date, including such as details in relation to the employee base of the Company which have been updated to reflect these details as on October 31, 2023, the details of outstanding dues to creditors of the Company which have been updated to reflect these details as on June 30, 2023, details of the total consolidated outstanding borrowings of the Company which have been updated to reflect these details as on October 31, 2023 and details of the outstanding borrowings of the Company proposed to be repaid / prepaid through the Net Proceeds which have been updated to reflect these details as on October 31, 2023, among others. In light of updated operational data and key performance indicators being available, the sections titled “*Summary of the Offer Document*”, “*Risk Factors*”, “*Our Business*”, and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” have also been updated.

Further, there have been updates to certain industry information, as detailed in the updated industry report titled “*Assessment of Indian pharmaceutical and CDMO market*” and dated October 2023, commissioned by the Company and issued by CRISIL Research, a division of CRISIL Limited. Pursuant to the updated industry report, the sections titled “*Industry Overview*”, “*Summary of the Offer Document*”, “*Risk Factors*”, “*Our Business*”, “*Basis for the Offer Price*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” have also been updated.

8. Updates in capital structure

As highlighted in paragraph 4 above, our Company has, following the filing of the DRHP, undertaken the Pre-IPO Placement of:

	
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- (i) 1,412,430 CCPSs allotted to UTI Multi Opportunities Fund I at a price of ₹354.00 per CCPS (including a premium of ₹344.00) aggregating to ₹500.00 million. The CCPSs have been converted into 1,412,430 Equity Shares; and
- (ii) 669,642 Equity Shares with 334,821 Equity Shares allotted each to 360 One Special Opportunities Fund - Series 9 and 360 One Special Opportunities Fund - Series 10 at a price of ₹448.00 per Equity Share (including a premium of ₹438.00) aggregating to ₹300.00 million.

Details in connection with the Pre-IPO, including the conversion of the CCPSs into Equity Shares have been updated in the UDRHP, including in the section titled “*Capital Structure*”.

9. In-principle listing approvals

The Company has received ‘in-principle’ approvals from BSE Limited and the National Stock Exchange of India Limited for the listing of the Equity Shares, pursuant to letters dated September 16, 2022, and September 15, 2022, respectively, and appropriate updates have accordingly been made to the UDRHP to reflect this. Copies of such approval letters have been filed with your office through our letter dated September 16, 2022.

10. Appointment of the Escrow Collection Banks, Refund Bank, Public Offer Account Bank, Sponsor Bank, Syndicate Member, the Share Escrow Agent and the Monitoring Agency

For the purposes of the Offer, ICICI Bank Limited and HDFC Bank Limited shall act as the Escrow Collection Banks and the Sponsor Banks. Further, ICICI Bank Limited shall also act as the Public Offer Account Bank and the Refund Bank. In addition, JM Financial Services Limited shall act as the Syndicate Member, KFin Technologies Limited shall act as the Share Escrow Agent and CRISIL Ratings Limited shall act as the Monitoring Agency for the proposed Offer.

Details of the Bankers to the Offer, Syndicate Member, Share Escrow Agent and Monitoring Agency, for the purpose of the Offer, as required under the SEBI ICDR Regulations, have been updated at the appropriate places in the UDRHP. Further, the Cash Escrow and Sponsor Bank Agreement, the Share Escrow Agreement, the Syndicate Agreement and the Monitoring Agency Agreement (“**RHP Stage Agreements**”), will be signed prior to filing of the RHP with the RoC.

11. Appointment of Designated Stock Exchange

The Company has appointed National Stock Exchange of India Limited (“**NSE**”) as the designated stock exchange for the purposes of the Offer pursuant to the resolution passed by the Board of Directors dated November 10, 2023. Appropriate disclosures to this effect have been incorporated in the UDRHP.

12. Price information of past issues

The price information of past issues of the BRLMs has been updated in the UDRHP to reflect updates since the date of filing of the DRHP. We further undertake to update this information, if applicable, in the RHP prior to filing with the RoC.

13. Miscellaneous

	
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- (a) The Offer Agreement dated June 28, 2022 (“**Offer Agreement**”), entered between the Company, BRLMs and Selling Shareholders was amended on September 12, 2023, including to modify certain representations and warranties in connection with the acquisition of Sharon Bio-Medicine Limited by the Company. The Offer Agreement shall be further amended to reflect the update in the dispute resolution mechanism under the Offer Agreement, in light of the SEBI master circular dated July 31, 2023 bearing reference number SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145, as amended pursuant to the SEBI circular dated August 4, 2023 bearing reference number SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 (“**SEBI ODR Circulars**”).
- (b) The Registrar Agreement dated June 20, 2022, entered into between the Company, the Selling Shareholders and the Registrar to the Offer, shall be further amended to reflect the update in the dispute resolution mechanism under the Registrar Agreement, in light of the SEBI ODR Circulars.
- (c) The Company has obtained SCORES authentication and the disclosure under “*Other Regulatory and Statutory Disclosures – Disposal of Investor Grievances by our Company*” has accordingly been modified in the UDRHP to reflect this.
- (d) Information set out in the DRHP, including in the sections titled “*Certain Conventions, Use of Financial Information, Industry and Market Data and Currency of Presentation*”, “*Summary of the Offer Document*”, “*Risk Factors*”, “*The Offer*”, “*Summary Financial Information*”, “*General Information*”, “*Capital Structure*”, “*Objects of the Offer*”, “*Basis for the Offer Price*”, “*Statement of Special Tax Benefits*”, “*Industry Overview*”, “*Our Business*”, “*Key Regulations and Policies*”, “*History and Certain Corporate Matters*”, “*Our Management*”, “*Our Group Companies*”, “*Dividend Policy*”, “*Restated Consolidated Financial Information*”, “*Proforma Condensed Consolidated Financial Information*”, “*Other Financial Information*”, “*Capitalisation Statement*”, “*Financial Indebtedness*”, “*Management’s Discussion and Analysis of Financial Position and Results of Operations*”, “*Outstanding Litigation and Other Material Developments*”, “*Government and Other Approvals*”, “*Other Regulatory and Statutory Disclosures*”, “*Terms of the Offer*”, “*Offer Structure*”, “*Offer Procedure*” and “*Material Contracts and Documents for Inspection*”, has been updated in the UDRHP to include factual changes since the filing of the DRHP, and reflect the updated position.

In addition to the above, the information contained in the UDRHP is updated to reflect the position of the Company as of a recent date and to address the observations, to the extent applicable, made by SEBI vide the letter dated July 21, 2022 (the “**Initial Observations**”) and the email dated August 23, 2022 (the “**Additional Observations**”), and together with the Initial Observations and the Final Observations, the “**SEBI Observations**”), wherein we have been advised to provide certain clarifications regarding the DRHP filed with SEBI in relation to the Offer, and other correspondences in relation to DRHP, and the Final Observations. The responses to the observations issued by SEBI have been included in the UDRHP (to the extent indicated in our responses) after taking into consideration factual updates as applicable.

Further, the following changes will be made to the RHP, before filing the RHP with the RoC:

- a. The finalized schedule of the Offer and the corresponding dates, including the Bid / Offer Period and the Anchor Investor Bid / Offer Period, will be inserted at the appropriate places. All referenced page numbers will be inserted and updated in a uniform manner. The details of the finalized brokerage structure, processing fees payable to SCSBs, selling commission payable to Registered Brokers, RTAs, CDPs, Sponsor Bank(s) and Syndicate Member will be included prior to filing of the RHP with RoC.

	
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- b. Details of the Share Escrow Agreement, Cash Escrow and Sponsor Bank Agreement, Syndicate Agreement and Monitoring Agency Agreement to be executed on or before the filing of the RHP with the RoC, will be included in the RHP.
- c. The QR code for access to the RHP will be included on the cover page of the RHP.
- d. Details of the listed peers of the Company in the section titled “Basis for the Offer Price” will be updated in the RHP to reflect the updated details of the respective listed peers of the Company, as may be available, before the filing of the RHP with the RoC;
- e. The price information of past issues undertaken by the BRLMs has been updated in the draft of the UDRHP annexed herein, and shall be further updated, to the extent applicable, prior to filing of the RHP with RoC.
- f. The details of Equity Shares held by the Shareholders holding 1% or more of the paid-up Equity Share capital of the Company in the section titled “Capital Structure”, shall, on the basis of the latest BENPOS statement, be updated, as may be required, prior to filing the RHP with the RoC.
- g. Any other material development which may require a change in disclosures in accordance with applicable law will be updated as appropriate in the RHP.

The Price Band, and the minimum Bid Lot will be advertised at least two Working Days prior to the Bid / Offer Opening Date in compliance with the SEBI ICDR Regulations. Further, we undertake to submit a draft copy of the price band advertisement to SEBI in advance before publication in the relevant newspapers.

We confirm that all amendments, suggestions and observations advised by SEBI and the Stock Exchanges have been incorporated in the UDRHP and will be incorporated in the RHP.

We further confirm that as on the date of the UDRHP, the clauses / covenants of Articles of Association of the Company are in compliance with the Companies Act, 2013, as amended, and the securities laws, as applicable.

Please note that no further changes, except formatting changes, changes to correct grammatical, typographical and other errors, changes as indicated in this letter and changes carried out in order to update any information that had been provided in the UDRHP, including any material development or update which may require a change in the disclosures in accordance with applicable law, until the date of filing of the RHP with the RoC, shall be made to the RHP without the specific written consent of SEBI.

All capitalised terms used in this letter (including the annexures and schedules) and not defined shall have the meaning assigned to such terms in the UDRHP.

	
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We request you to take our responses on record. Should you require any further information or clarifications, please feel free to contact any of the following officials of ICICI Securities Limited:

Contact Person	Telephone	Email
Prem D'cunha	+91 99302 86078	prem.dcunha@icicisecurities.com
Harsh Thakkar	+91 9920327474	harsh.thakkar@icicisecurities.com
Ashik Joisar	+91 7021907267	ashik.joisar@icicisecurities.com

Thanking you.

Sincerely,

Enclosed: Annexures as above.

Annexure A

In-seriatim response to the Final Observations

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
Annexure I – Observations				
1.	Please refer to our email dated July 21, 2022, and the response from LM dated August 3, September 22, 2022 and all other correspondences exchanged. Wherever the LM has undertaken to modify/delete/amend the risk factors or in other relevant section of the DRHP in its replies, the same shall be duly modified and incorporated in the UDRHP/RHP.	Complied with and noted for compliance. For ease of reference, please see Schedule A and Schedule B . The relevant changes pursuant to the Initial Observations and our response dated August 3, 2022, and pursuant to the Additional Observations and our response dated September 22, 2022, have been included in the UDRHP after taking into consideration factual updates, as applicable.	-	-
2.	Clause 24 (3) of SEBI (ICDR) Regulations, 2018, requires LM to exercise due diligence and satisfy himself about all aspects of the issue including the veracity and adequacy of disclosures in the offer document. In view of the same, LM is advised to ensure that: <ul style="list-style-type: none"> i. The offer document shall not contain any information where no responsibility is taken by the BRLMs or the Issuer Company / Expert. ii. The “Industry Overview” section represents a fair and true view of the comparable industry scenario and the same is neither exaggerated nor have any underlying assumptions been omitted for investors to make an informed decision. 	Complied with and noted for compliance.	-	-
3.	LM is advised to ensure that the processing fees for applications made by Retail Individual Bidders	Noted for compliance.	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.	We further submit that the disclosure appearing under the sections titled “ <i>Objects of the Offer</i> ”, “ <i>Other Regulatory and Statutory Disclosures</i> ” and “ <i>Terms of the Offer</i> ” on pages 110, 424 and 436 of the DRHP, specifies that the processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.		
4.	LM is advised to ensure that UDRHP is filed with SEBI not less than seven working days prior to submission of the draft price band advertisement.	Noted for compliance.	-	-
5.	LM is advised to take note of amendments to ICDR Regulations dated November 21, 2022, with respect to Key Performance Indicators and ensure compliance with the same.	Noted for compliance. The required updates with respect to Key Performance Indicators (“ KPIs ”) have been made to the UDRHP, including to the section titled “ <i>Basis for the Offer Price</i> ” of the UDRHP, pursuant to the amendment to the SEBI ICDR Regulations dated November 21, 2022.	-	-
6.	LM is advised to ensure that UDRHP contains necessary updated disclosures justifying the offer price under Section “ <i>Basis for offer price</i> ”, “ <i>Risk Factors</i> ” etc., particularly emphasizing on appropriate Key Performance Indicators as applicable to the industry in which the issuer company operates, in quantitative terms, with corresponding suitable explanations so as to justify the offer price. (For illustration, P/E ratio in case DRHP is filed under Regulation 6 (1) of the ICDR Regulations (and /or) Market Cap / Total Revenue ratio in case DRHP is filed under Regulation 6 (2) of the ICDR Regulations)	Complied with and noted for compliance.	-	-
7.	LM is advised to disclose segregated amount of fresh issuances which shall be utilized for repayment of loans of the Company.	Noted for compliance. The table on page 106 of the UDRHP has been updated to include details of the amount of the Net Proceeds proposed to be utilized for the prepayment / repayment of each loan of the Company. For reference, the table has been reproduced in Appendix A below.	106	139

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
8.	Summary of the offer document: LM is advised to include ratio of split and bonus issue dated April 4, 2022 and April 27,2022, respectively. Further, LM is advised to disclose that CCPS will be converted into equity shares prior to filing of RHP.	<p>Complied with and noted for compliance.</p> <p>The ratio of the split and bonus issue dated April 4, 2022, and April 27, 2022, have been updated in the relevant footnotes to the tables (to the extent applicable) in the “<i>Summary of the Offer Document</i>” section of the UDRHP in the following manner:</p> <p><i>“The cost of acquisition of equity shares, have been adjusted for the sub-division in the face value of the equity shares of our Company from ₹100 each to ₹10 each, such that each equity share of our Company of face value ₹100 was split into 10 Equity Shares of face value of ₹10 each, pursuant to a resolution of the Shareholders dated April 4, 2022, as applicable.”</i></p> <p><i>“Acquired pursuant to a bonus issuance of Equity Shares, in the ratio of three Equity Shares for every one Equity Share held, allotted on April 27, 2022.”</i></p> <p>Further, the CCPSs issued by the Company pursuant to the Pre-IPO Placement have been converted into 1,412,430 Equity Shares in the ratio of one Equity Share for every CCPS held, on December 1, 2023. Appropriate disclosures in this regard have been made in the UDRHP, including in the section titled “<i>Capital Structure</i>”.</p>	-	-
9.	Risk Factors – (i) Every risk factor shall be provided with a cross-reference to the detailed description of the facts/ reasons in the ORHP, wherever applicable. (ii) In all risk factors, wherever either only percentages or the absolute values are mentioned, LM shall ensure to disclose both the absolute values and percentages adequately.	Noted for compliance. We undertake to ensure that (i) every risk factor shall be provided with a cross-reference to the detailed description of the facts / reasons in the red herring prospectus/prospectus, wherever applicable; and (ii) in all risk factors, wherever either only percentages or the absolute values are mentioned, we will disclose both the absolute values and percentages adequately.	-	-
10.	LM is advised to use only restated financial information under all the risk factors.	We have not removed proforma financial information from the risk factor section of the UDRHP. The proforma financial information is important for investors as the restated financial information is not comparable from period to period.	-	-
11.	Risk Factor 1: LM is advised to delete ‘ <i>In addition, because of their nature... does not represent our</i>	Noted for compliance. We have amended the heading of risk factor 1 in the UDRHP as follows:	33	40

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)										
	<p><i>factual results of operations or financial condition'</i> and include that Proforma Condensed Consolidated Financial Information has not been prepared in accordance with generally accepted accounting principles including accounting standards.</p>	<p><i>"Our Restated Consolidated Financial Information are not comparable on a period-to-period basis and to any future financial results that we may prepare.</i> <i>Our Company has undertaken the acquisition of assets and liabilities of the Innova Partnership and the acquisition of UML, pursuant to which the our Restated Consolidated Financial Information, as of, and for the nine months ended December 31, 2021 and as of, and for the years ended, March 31, 2021, 2020 and 2019, are not comparable to each other and to any future financial results that we may prepare. In addition, because of their nature, our Proforma Condensed Consolidated Financial Information addresses a hypothetical situation and, therefore, does not represent our factual results of operations or financial condition."</i></p>												
12.	<p>Risk Factor 5: LM is advised to remove the word 'leading' and include number of Indian pharmaceutical companies who are CDMO customers.</p> <p>Further, LM is advised to modify stating that any reduction in number of CDMO customers and any adverse developments or inability to enter into or maintain relationships with these CDMO customers could have an adverse impact on the business, results of operations and financial conditions.</p> <p>LM is also advised to add the percentage of revenue from operations from CDMO business in the same table.</p>	<p>Noted for compliance. We have amended risk factor 5 (as already modified pursuant to previous SEBI comments) in the UDRHP as follows:</p> <p><i>"We depend on a limited number of contract development and manufacturing organization ("CDMO") customers, including leading Indian pharmaceutical companies. Any reduction in the number of CDMO customers and adverse developments or inability to enter into or maintain relationships with these CDMO customers could have an adverse effect on our business, results of operations and financial condition.</i></p> <p><i>Our CDMO business is focused on providing products and services across a diverse range of generic pharmaceutical products for Indian pharmaceutical companies who market such products under their own brand names to the end users. The number of CDMO customers that we have represented has increased from 108 in Fiscal 2019 to 164 in the nine months ended December 31, 2021 on a restated consolidated basis and has increased from 155 in Fiscal 2019 to 164 in the nine months ended December 31, 2021 on a proforma consolidated basis. The following table sets forth the number of CDMO customers on a restated consolidated basis for the periods indicated.</i></p> <table border="1" data-bbox="730 1201 1816 1353"> <thead> <tr> <th data-bbox="730 1201 949 1294"><i>Particulars</i></th> <th data-bbox="949 1201 1167 1294"><i>Fiscal 2021</i></th> <th data-bbox="1167 1201 1384 1294"><i>Fiscal 2022</i></th> <th data-bbox="1384 1201 1601 1294"><i>Fiscal 2023</i></th> <th data-bbox="1601 1201 1816 1294"><i>Three months ended June 30, 2023</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1294 949 1353"><i>Number of CDMO customers</i></td> <td data-bbox="949 1294 1167 1353">119</td> <td data-bbox="1167 1294 1384 1353">174</td> <td data-bbox="1384 1294 1601 1353">182</td> <td data-bbox="1601 1294 1816 1353">133</td> </tr> </tbody> </table>	<i>Particulars</i>	<i>Fiscal 2021</i>	<i>Fiscal 2022</i>	<i>Fiscal 2023</i>	<i>Three months ended June 30, 2023</i>	<i>Number of CDMO customers</i>	119	174	182	133	37	46
<i>Particulars</i>	<i>Fiscal 2021</i>	<i>Fiscal 2022</i>	<i>Fiscal 2023</i>	<i>Three months ended June 30, 2023</i>										
<i>Number of CDMO customers</i>	119	174	182	133										

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>In Fiscal 2023, we represented 182 customers on a pro forma consolidated basis.</i></p> <p><i>Our business, results of operations and financial condition are dependent on our relationships with and continued supply to our Indian pharmaceutical customers. However, some of our customers may start manufacturing at their own facilities and may discontinue the use of our CDMO services and products. Further, we typically plan and incur capital expenditure for future periods. Delays in successfully entering into contracts for utilization of upcoming capacity may result in lack of proportionate increase in our revenues and results of operations, vis-à-vis an installed capacity increase. In addition, there can be no assurance that we will be able to maintain historic levels or increased levels of business with our significant customers. If we are unable to maintain relationships with the Indian pharmaceutical companies on existing or favourable terms and conditions and if there is delay in replacing these discontinuations with our new products or new customers or maximize utilisation of our installed capacities, it could have an adverse impact on our business, results of operations, margins and financial condition.</i></p> <p><i>The table set forth below provides our revenue from operations from our CDMO business on a restated consolidated basis from our top ten customers and such revenue as a percentage of our operations for the years and period indicated.</i></p>		

S. No.	Observations	Response								UDRHP Page Number (clean)	UDRHP Page Number (redline)	
			<i>Fiscal-2019</i>		<i>Fiscal-2020</i>		<i>Fiscal-2021</i>		<i>Nine-Months ended December 31, 2021</i>			
		<i>Revenue from Operations</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>		
		<i>Top Ten Customers</i>	<i>1,992.38</i>	<i>60.13</i>	<i>1,948.28</i>	<i>56.81</i>	<i>2,022.01</i>	<i>54.52</i>	<i>2,491.15</i>	<i>46.13</i>		
		<i>The table set forth below provides our revenue from operations from our CDMO business on a proforma consolidated basis from our top ten customers and such revenue as a percentage of our operations for the years and period indicated.</i>										

S. No.	Observations	Response								UDRHP Page Number (clean)	UDRHP Page Number (redline)		
			<i>Fiscal-2019</i>		<i>Fiscal-2020</i>		<i>Fiscal-2021</i>		<i>Nine-Months-ended December-31, 2021</i>				
		<i>Revenue from Operations</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO businesses</i>	<i>₹ million</i>	<i>% of revenue from operations from CDMO business</i>			
		<i>Top-Ten Customers</i>	2,276.26	57.66	2,158.06	55.18	2,267.48	55.98	2,491.15	54.25			
		<i>Our revenue from our top-10-customer on a restated consolidated basis for the years and period indicated are set forth below.</i>											
		<i>(in ₹ million)</i>											
		<i>Top-Ten Customers (1)</i>	<i>Fiscal-2019</i>	<i>Fiscal-2020</i>	<i>Fiscal-2021</i>	<i>Nine-Months-ended December-31, 2021</i>							
		1	654.64	619.27	580.70	622.00							
		2	180.17	275.26	183.27	621.46							
		3	228.75	235.21	325.06	161.30							
		4	209.71	194.97	185.35	153.97							
		5	95.07	111.19	163.31	339.85							
		6	240.16	153.78	221.32	80.64							
		7	129.03	121.57	113.07	181.81							

S. No.	Observations	Response				UDRHP Page Number (clean)	UDRHP Page Number (redline)																																																													
		8	188.35	48.92	66.75	100.41																																																														
		9	48.81	90.01	98.06	151.30																																																														
		10	17.68	98.10	85.11	78.41																																																														
		Total	1,992.38	1,948.28	2,022.01	2,491.15																																																														
		<p>(1) The top ten customers provided are our top ten customers in terms of revenue contribution on a restated consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.</p> <p>Our revenue from our top 10 customers on a proforma consolidated basis for the years and period indicated are set forth below.</p> <p style="text-align: right;">(in ₹ million)</p> <table border="1" data-bbox="730 715 1762 1321"> <thead> <tr> <th data-bbox="730 715 907 791">Top Ten Customers (1)</th> <th data-bbox="907 715 1113 791">Fiscal 2019</th> <th data-bbox="1113 715 1301 791">Fiscal 2020</th> <th data-bbox="1301 715 1509 791">Fiscal 2021</th> <th data-bbox="1509 715 1762 791">Nine Months ended December 31, 2021</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>654.64</td> <td>619.27</td> <td>580.70</td> <td>622.00</td> </tr> <tr> <td>2</td> <td>220.13</td> <td>297.43</td> <td>221.19</td> <td>621.46</td> </tr> <tr> <td>3</td> <td>228.75</td> <td>235.21</td> <td>325.06</td> <td>161.30</td> </tr> <tr> <td>4</td> <td>269.46</td> <td>241.72</td> <td>240.74</td> <td>153.97</td> </tr> <tr> <td>5</td> <td>300.08</td> <td>197.80</td> <td>282.58</td> <td>80.64</td> </tr> <tr> <td>6</td> <td>132.42</td> <td>149.92</td> <td>187.31</td> <td>339.85</td> </tr> <tr> <td>7</td> <td>174.00</td> <td>157.82</td> <td>159.74</td> <td>181.81</td> </tr> <tr> <td>8</td> <td>227.51</td> <td>66.48</td> <td>81.42</td> <td>100.41</td> </tr> <tr> <td>9</td> <td>48.81</td> <td>90.01</td> <td>98.06</td> <td>151.30</td> </tr> <tr> <td>10</td> <td>20.45</td> <td>102.40</td> <td>90.67</td> <td>78.41</td> </tr> <tr> <td>Total</td> <td>2,276.26</td> <td>2,158.06</td> <td>2,267.48</td> <td>2,491.15</td> </tr> </tbody> </table> <p>(1) The top ten customers provided are our top ten customers in terms of revenue contribution on a proforma</p>					Top Ten Customers (1)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Nine Months ended December 31, 2021	1	654.64	619.27	580.70	622.00	2	220.13	297.43	221.19	621.46	3	228.75	235.21	325.06	161.30	4	269.46	241.72	240.74	153.97	5	300.08	197.80	282.58	80.64	6	132.42	149.92	187.31	339.85	7	174.00	157.82	159.74	181.81	8	227.51	66.48	81.42	100.41	9	48.81	90.01	98.06	151.30	10	20.45	102.40	90.67	78.41	Total	2,276.26	2,158.06	2,267.48	2,491.15		
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S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>change, sometimes significantly based on the expected forecast volume required by our customers. In addition, certain of our agreements may be terminated by the customer without notice. While, in the recent past, none of our agreements have been terminated without notice there can be no assurance that such instances will not occur in future. In addition, the amount of customer spending on pharmaceutical development and manufacturing, particularly the amount our customers choose to spend on outsourcing CDMO services and products, has a large impact on our sales and profitability. Consolidation in the pharmaceutical industry may also impact such spending as customers integrate acquired operations, including research and development departments and manufacturing operations. Any reduction in customer spending on outsourcing CDMO services and products as a result of these and other factors could have a material adverse effect on our business, results of operations and financial condition."</i></p>		
13.	LM is advised to include RF 5 and 11 sequentially.	Noted for compliance. We have included risk factor 5 and risk factor 11 sequentially in the UDRHP.	37	46
14.	Risk Factor 14: LM is advised to redraft the heading to reflect the risk explained in the third paragraph.	<p>Noted for compliance. We have amended the heading of the risk factor 14 in the UDRHP as follows:</p> <p><i>"Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products as well as the consumer demand for the products we manufacture for our customers, which may significantly influence our business, results of operations and financial condition. Further, our business and results of operations may be adversely impacted due to the price ceiling imposed by the Government"</i></p>	44	55
15.	Risk Factor 16: LM is advised to include this RF as top 15.	Noted for compliance. We have included risk factor 16 in the top 15 risk factors in the UDRHP.	43	54
16.	Risk factor 17: LM is advised to include this RF as top 10 and modify the heading as: 'Our business is capital intensive. Any insufficient cash flows from our operations or inability to borrow to meet our working capital requirements may materially and adversely affect our business and results of operations'.	<p>Noted for compliance. We have included risk factor 17 in the top 10 risk factors in the UDRHP. In addition, we have amended the heading of the risk factor 17 in the UDRHP as follows:</p> <p><i>"Our business is working capital intensive. If we experience Any insufficient cash flows from our operations or inability are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business and results of operations."</i></p>	42	53
17.	Risk Factor 19: LM is advised to delete 'which are routine in nature.'	Noted for compliance. We have amended risk factor 19 (as already modified pursuant to previous SEBI comments) in the UDRHP as follows:	49	67

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>“Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.</i></p> <p><i>We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts. We intend to construct a new 240,916 sq. ft facility in Jammu (“Jammu Facility”), which may be utilised for manufacturing tablets, capsules, dry syrups and injections. The estimated total project cost for this new Jammu Facility is ₹3,551.72 million, as certified by Ravinder K. Sharma & Co. Chartered Accountants.</i></p> <p><i>Further, expansion of manufacturing facilities requires governmental, statutory and other regulatory approvals, licenses, permits and registrations to be obtained from various authorities and we cannot assure you that we will be able to obtain or renew such approvals, licenses, permits and registrations in a timely manner, or at all. If we fail to obtain or renew such licenses, approvals, registrations and permits in a timely manner, our commissioning date for the expansion plans may be delayed, which could adversely affect our business and results of operations.</i></p> <p><i>Construction of our new Jammu Facility will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. In addition, construction and operation of our new Jammu Facility will require us to obtain various approvals. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all.</i></p> <p><i>As on November 15, 2023, we have made the following progress on construction of our new Jammu Facility:</i></p> <ul style="list-style-type: none"> <i>• Land has been acquired and possession has been taken;</i> <i>• Construction is ongoing;</i> <i>• Orders for plant and machinery are ongoing;</i> <i>• Construction contracts are being finalized;</i> <i>• Purchase orders for plant, equipment and other fixed assets, both imported and indigenous,</i> 		

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>amounting to ₹2,946.97 million have been placed;</i></p> <ul style="list-style-type: none"> <i>• An amount of ₹2,498.65 million has already been incurred on the project out of which ₹1,061.48 million has funded by through our internal accruals and the remaining ₹1,437.16 million has been disbursed by HDFC bank / State Bank of India;</i> <i>• Out of the purchase orders placed for imported machinery and equipment, 4 sets of blow fill seal machines having invoice value of CHF 13.50 million (₹1,302.87 million) have been received at the facility;</i> <i>• Acknowledgment of our intent to establish a manufacturing enterprise has been received from the office of the General Manager of District Industries Centre, Kathua;</i> <i>• GST registration has been received; and</i> <i>• Consent to Establish received from the Jammu and Kashmir State Pollution Control Board.”</i> <p><i>Construction of our new Jammu Facility will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. In addition, construction and operation of our new Jammu Facility will require us to obtain various approvals, which are routine in nature. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all.</i></p> <p><i>As on August 31, 2022 we have made the following progress on construction of our new Jammu Facility:</i></p> <ul style="list-style-type: none"> <i>• Land has been acquired and possession taken;</i> <i>• Orders for plant and machinery are ongoing;</i> <i>• Construction contracts are being finalized;</i> <i>• Term loan for the Jammu Facility has been sanctioned;</i> <i>• Acknowledgment of our intent to establish a manufacturing enterprise has been received from the office of the General Manager of District Industries Centre ; and</i> <i>• Application has been made for consent to establish with the Pollution Control Committee.”</i> 		

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)									
18.	Risk factor 21: LM is advised to include it under top 15 risk factors.	Noted for compliance. We have included risk factor 21 in the top 15 risk factors in the UDRHP.	43	54									
19.	Risk Factor 22: LM is advised to include it under top 10 risk factors.	Noted for compliance. We have included risk factor 22 in the top 10 risk factors in the UDRHP.	40	52									
20.	Risk Factor 29: LM is advised to redraft heading stating that export is from sale of goods and import for raw materials.	Noted for compliance. We have amended the heading of the risk factor 29 in the UDRHP as follows: <i>“We face foreign exchange risks that could adversely affect our results of operations as a portion of our revenue is from exports and a portion of our expenditure is from imports for raw material, both of which are is-denominated in foreign currencies.”</i>	54	73									
21.	Risk Factor 34: LM is advised to include it under top 10 risk factors.	Noted for compliance. We have included risk factor 34 in the top 10 risk factors in the UDRHP.	40	52									
22.	Risk Factor 44: LM is advised to disclose amount of outstanding debt and date of availing the same.	Noted for compliance. We have amended risk factor 44 (as already modified pursuant to previous SEBI comments) in the UDRHP as follows: <i>“Any downgrade of our debt ratings could adversely affect our business.</i> <i>As of October 31, 2023, we had total outstanding borrowings of ₹4,811.91 million on a restated consolidated basis. For details, see “Financial Indebtedness” beginning on page []. As per the credit rating letter dated September 27, 2023, we have received the following credit ratings on our debt and credit facilities.</i> <table border="1"> <thead> <tr> <th><i>Instrument or Rating Type</i></th> <th><i>Rating Agency</i></th> <th><i>Ratings</i></th> </tr> </thead> <tbody> <tr> <td><i>Long Term Bank Facilities</i></td> <td><i>CARE Ratings Limited</i></td> <td><i>A- (Negative)</i></td> </tr> <tr> <td><i>Short Term Bank Facilities</i></td> <td><i>CARE Ratings Limited</i></td> <td><i>A2+</i></td> </tr> </tbody> </table> <i>These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Our credit ratings were suspended for three years due to the non-submission of data to the rating agencies and any such failure to provide required data could again result in the suspension of our credit ratings. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors. Any downgrade in our credit ratings may increase interest rates for refinancing our</i>	<i>Instrument or Rating Type</i>	<i>Rating Agency</i>	<i>Ratings</i>	<i>Long Term Bank Facilities</i>	<i>CARE Ratings Limited</i>	<i>A- (Negative)</i>	<i>Short Term Bank Facilities</i>	<i>CARE Ratings Limited</i>	<i>A2+</i>	61	85
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<i>Short Term Bank Facilities</i>	<i>CARE Ratings Limited</i>	<i>A2+</i>											

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<i>outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis."</i>		
23.	Risk Factor 57: LM is advised to remove future reference in the heading.	Noted for compliance. We have amended the heading of the risk factor 57 in the UDRHP as follows: <i>"Information relating to the installed manufacturing capacity of our two manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary."</i>	64	91
24.	Risk Factor 58: LM is advised to redraft heading of the risk factor.	Noted for compliance. We have amended the heading of the risk factor 58 in the UDRHP as follows: <i>"Certain sections of this Draft Red Herring Prospectus contain information from the CRISIL Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks. We commissioned and purchased the CRISIL Report. This Draft Red Herring Prospectus contains information from the CRISIL Report and such information is subject to inherent risks and limitations."</i>	65	92
25.	LM is advised to include a separate risk factor in top 10 that more than 90% of the raw materials are imported from one country (i.e., China).	Noted for compliance. We note that new risk factor 9 (as previously provided to SEBI in earlier responses to SEBI Observations) provides a discussion of the risk related to the Company's dependence on China. New risk factor 9 (as previously provided to SEBI in earlier responses to SEBI Observations) has been added to the UDRHP as follows: <i>"Our dependence on China, China SEZ and Hong Kong for our raw material supplies exposes us to political, economic and social conditions in greater China.</i> <i>We are dependent on the import raw materials from China, China SEZ and Hong Kong.</i> <i>The table set forth below provides our imported raw materials from China, China SEZ and Hong Kong on a restated consolidated basis as a percentage of our cost of imported raw materials and as a percentage of total raw materials purchases for the fiscal years/period indicated.</i>	41	53

S. No.	Observations	Response					UDRHP Page Number (clean)	UDRHP Page Number (redline)
		Restated Consolidated			For the year ended March 31,		For the three months ended June 30, 2023	
			2021	2022	2023			
		<i>Imported raw materials from China, China SEZ and Hong Kong as a percentage of our cost of imported raw materials</i>	91.85%	90.03%	75.41%	100%		
		<i>Imported raw materials from China, China SEZ and Hong Kong as a percentage of total raw material</i>	13.11%	12.28%	6.18%	1.15%		
		<i>Our dependence on China, China SEZ and Hong Kong for our raw material supplies exposes us to political, economic and social conditions in greater China. Further, our raw material suppliers may be adversely impacted by the economic downturn in their national or regional economies, disruption in their banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.”</i>						
26.	LM is advised to include separate risk factor in top 15 regarding that nearly 30% of revenue is from related parties.	<p>Noted for compliance. We note that a revised risk factor 15 (as previously provided to SEBI in earlier responses to SEBI Observations) provides a discussion that nearly 30% of the Company’s revenue is from related parties. Revised risk factor 15 (as previously provided to SEBI in earlier responses to SEBI Observations) has been added to UDRHP as follows:</p> <p><i>“We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. In Fiscal 2023 and in the three months ended June 30, 2023, we derived 10.72% and 8.88%, respectively, of our revenue from operations on a restated consolidated basis from related party transactions.</i>”</p> <p><i>We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including Key Managerial Personnel. The table below sets forth related party transactions as a percentage of revenue from operations for the periods indicated.</i></p>					44	56
		Particulars	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2023	For the three months ended		

S. No.	Observations	Response						UDRHP Page Number (clean)	UDRHP Page Number (redline)												
		<table border="1"> <tr> <td data-bbox="719 347 949 379"></td> <td data-bbox="949 347 1167 379"></td> <td data-bbox="1167 347 1384 379"></td> <td data-bbox="1384 347 1601 379"></td> <td data-bbox="1601 347 1818 379"></td> <td data-bbox="1818 347 1832 379">June 30, 2023</td> </tr> <tr> <td data-bbox="719 379 949 528"><i>Related party transactions as a percentage of revenue from operations</i></td> <td data-bbox="949 379 1167 528">29.05%</td> <td data-bbox="1167 379 1384 528">27.57%</td> <td data-bbox="1384 379 1601 528">10.72%</td> <td data-bbox="1601 379 1818 528">8.88%</td> <td data-bbox="1818 379 1832 528"></td> </tr> </table>						June 30, 2023	<i>Related party transactions as a percentage of revenue from operations</i>	29.05%	27.57%	10.72%	8.88%								
					June 30, 2023																
<i>Related party transactions as a percentage of revenue from operations</i>	29.05%	27.57%	10.72%	8.88%																	
		<p><i>UML (which is now a wholly owned subsidiary of the Company) undertake marketing and sale of finished pharmaceutical products of the Company and revenue from their operations are considered as related party transactions. Related party transactions entered into by our Company and UML, respectively, in Fiscal 2021, Fiscal 2022 and Fiscal 2023 and in the three months ended June 30, 2023, as per Ind AS 24, derived from the Restated Consolidated Financial Information is detailed below.</i></p>																			
		<table border="1"> <thead> <tr> <th data-bbox="719 756 913 879"><i>Nature of Transaction</i></th> <th data-bbox="913 756 1093 879"><i>Name of the related party</i></th> <th data-bbox="1093 756 1272 879"><i>For the year ended March 31, 2021</i></th> <th data-bbox="1272 756 1451 879"><i>For the year ended March 31, 2022</i></th> <th data-bbox="1451 756 1630 879"><i>For the year ended March 31, 2023</i></th> <th data-bbox="1630 756 1818 879"><i>For the three months ended June 30, 2023</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="719 879 913 970"><i>Revenue from operations (net of returns)</i></td> <td data-bbox="913 879 1093 970"><i>Univentis Medicare Limited</i></td> <td data-bbox="1093 879 1272 970">16.42%</td> <td data-bbox="1272 879 1451 970">13.07%</td> <td data-bbox="1451 879 1630 970">11.94%</td> <td data-bbox="1630 879 1818 970">13.19%</td> </tr> </tbody> </table>						<i>Nature of Transaction</i>	<i>Name of the related party</i>	<i>For the year ended March 31, 2021</i>	<i>For the year ended March 31, 2022</i>	<i>For the year ended March 31, 2023</i>	<i>For the three months ended June 30, 2023</i>	<i>Revenue from operations (net of returns)</i>	<i>Univentis Medicare Limited</i>	16.42%	13.07%	11.94%	13.19%		
<i>Nature of Transaction</i>	<i>Name of the related party</i>	<i>For the year ended March 31, 2021</i>	<i>For the year ended March 31, 2022</i>	<i>For the year ended March 31, 2023</i>	<i>For the three months ended June 30, 2023</i>																
<i>Revenue from operations (net of returns)</i>	<i>Univentis Medicare Limited</i>	16.42%	13.07%	11.94%	13.19%																
		<p><i>While we believe that all such related party transactions are conducted on an arms' length basis in accordance with the Companies Act and other applicable regulations, there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties or that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations. Furthermore, it is likely that we will continue to enter into related party transactions in the future. All such related party transactions that we may enter into post-listing, will be subject to board or shareholder approval, as necessary under the Companies Act and the SEBI Listing Regulations, in the interest of our Company and our minority shareholders and in compliance with the SEBI Listing Regulations, we cannot assure you that these arrangements in the future, or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations, cash flows and prospects."</i></p>																			

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
27.	LM is advised to include separate risk factor in case there is any delay in expansion of existing plants.	<p>Noted and complied with. We note that risk factor 19 provides a discussion of the risk in delay in expansion of existing plants. Risk factor 19 (as previously modified by SEBI comments) reads as follows:</p> <p><i>“Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns.</i></p> <p><i>We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts. We intend to construct a new 240,916 sq. ft facility in Jammu (“Jammu Facility”), which may be utilised for manufacturing tablets, capsules, dry syrups and injections. The estimated total project cost for this new Jammu Facility is ₹3,551.72 million, as certified by Ravinder K. Sharma & Co. Chartered Accountants.</i></p> <p><i>Further, expansion of manufacturing facilities requires governmental, statutory and other regulatory approvals, licenses, permits and registrations to be obtained from various authorities and we cannot assure you that we will be able to obtain or renew such approvals, licenses, permits and registrations in a timely manner, or at all. If we fail to obtain or renew such licenses, approvals, registrations and permits in a timely manner, our commissioning date for the expansion plans may be delayed, which could adversely affect our business and results of operations.</i></p> <p><i>Construction of our new Jammu Facility will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. In addition, construction and operation of our new Jammu Facility will require us to obtain various approvals. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all.</i></p> <p><i>As on November 15, 2023, we have made the following progress on construction of our new Jammu Facility:</i></p> <ul style="list-style-type: none"> <i>• Land has been acquired and possession has been taken;</i> <i>• Construction is ongoing;</i> 	49	67

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<ul style="list-style-type: none"> • <i>Orders for plant and machinery are ongoing;</i> • <i>Construction contracts are being finalized;</i> • <i>Purchase orders for plant, equipment and other fixed assets, both imported and indigenous, amounting to ₹2,946.97 million have been placed;</i> • <i>An amount of ₹2,498.65 million has already been incurred on the project out of which ₹1,061.48 million has funded by through our internal accruals and the remaining ₹1,437.16 million has been disbursed by HDFC bank / State Bank of India;</i> • <i>Out of the purchase orders placed for imported machinery and equipment, 4 sets of blow fill seal machines having invoice value of CHF 13.50 million (₹1,302.87 million) have been received at the facility;</i> • <i>Acknowledgment of our intent to establish a manufacturing enterprise has been received from the office of the General Manager of District Industries Centre, Kathua;</i> • <i>GST registration has been received; and</i> • <i>Consent to Establish received from the Jammu and Kashmir State Pollution Control Board.”</i> <p><i>Construction of our new Jammu Facility will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. In addition, construction and operation of our new Jammu Facility will require us to obtain various approvals, which are routine in nature. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all.</i></p> <p><i>As on August 31, 2022 we have made the following progress on construction of our new Jammu Facility:</i></p> <ul style="list-style-type: none"> • <i>Land has been acquired and possession taken;</i> • <i>Orders for plant and machinery are ongoing;</i> • <i>Construction contracts are being finalized;</i> • <i>Term loan for the Jammu Facility has been sanctioned;</i> • <i>Acknowledgment of our intent to establish a manufacturing enterprise has been received from the office of the General Manager of District Industries Centre; and</i> • <i>Application has been made for consent to establish with the Pollution Control Committee.”</i> 		

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)																		
28.	Capital Structure: LM is advised to include a table showing pre-issue number of shares held and percentage holding for promoter, promoter group and selling shareholder.	<p>Complied with and noted for compliance.</p> <p>The pre-Offer number of shares held and percentage holding of the Promoters has been disclosed in “<i>Capital Structure – Details of shareholding of our Promoters and members of the Promoter Group in the Company – Equity Shareholding of the Promoters</i>” on page 105 of the DRHP.</p> <p>Further, the pre-Offer number of shares held and shareholding percentage of the members of the Promoter Group and the Selling Shareholders have been updated in the UDRHP in the following manner:</p> <p>“(vi) Equity Shareholding of the Promoter Group</p> <p><i>As on the date of this Draft Red Herring Prospectus, except for Vandana Lohariwala who holds 4,000 Equity Shares and Chhavi Lohariwala who holds 4,000 Equity Shares, none of the members of our Promoter Group hold any Equity Shares in our Company. As on the date of this Red Herring Prospectus, except as disclosed below, and other than our Promoters, none of the members of our Promoter Group hold any Equity Shares in our Company:</i></p> <table border="1" data-bbox="786 970 1693 1158"> <thead> <tr> <th rowspan="2">S. No.</th> <th rowspan="2">Name of the Shareholder</th> <th colspan="2">Pre-Offer Equity Share Capital</th> </tr> <tr> <th>No. of Equity Shares</th> <th>% of total Shareholding</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Vandana Lohariwala</td> <td>4,000</td> <td>0.01</td> </tr> <tr> <td>2.</td> <td>Chhavi Lohariwala</td> <td>4,000</td> <td>0.01</td> </tr> <tr> <td colspan="2" style="text-align: right;">Total</td> <td>8,000</td> <td>0.02</td> </tr> </tbody> </table> <p>(vii) Equity Shareholding of the Selling Shareholders</p> <p><i>Details of the shareholding of the Selling Shareholders in our Company as on the date of this Red Herring Prospectus are as set out below:</i></p>	S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital		No. of Equity Shares	% of total Shareholding	1.	Vandana Lohariwala	4,000	0.01	2.	Chhavi Lohariwala	4,000	0.01	Total		8,000	0.02	97	134
S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital																				
		No. of Equity Shares	% of total Shareholding																			
1.	Vandana Lohariwala	4,000	0.01																			
2.	Chhavi Lohariwala	4,000	0.01																			
Total		8,000	0.02																			

S. No.	Observations	Response				UDRHP Page Number (clean)	UDRHP Page Number (redline)														
		S. No.	Name of the Shareholder	Pre-Offer Equity Share Capital																	
				No. of Equity Shares	% of total Shareholding																
		1.	Manoj Kumar Lohariwala	19,036,000	38.01																
		2.	Vinay Kumar Lohariwala	14,436,000	28.82																
		3.	Gian Parkash Aggarwal	14,512,000	28.98																
		Total		47,984,000	95.81																
29.	Page 94: LM is advised to remove legal counsel to the BRLMs as to Indian Law.	Noted for compliance.				-	-														
30.	LM is advised to ensure compliance with respect to provisions of independent directors as per SEBI LODR regulations.	Complied with.				-	-														
31.	Page 104: LM is advised to disclose reason for reduction in shareholding from 39.98% to 30.23% of Gian Parkash Aggarwal or alternatively, provide a table as given in 7(iii) for promoters on page 105.	<p>Noted for compliance. We have updated the following disclosure in the ‘Capital Structure’ section of the UDRHP:</p> <p>(x) Build-up of the Selling Shareholders’ shareholding in our Company</p> <p><i>The build-up of the shareholding of our Promoter Selling Shareholders since the incorporation of our Company is set out in “- Details of shareholding of our Promoters and members of the Promoter Group in the Company - Build-up of the Promoters’ shareholding in our Company” above on page [●]. Further, the build-up of the shareholding of Gian Parkash Aggarwal since the incorporation of our Company is set out below:</i></p> <table border="1" data-bbox="730 1190 1816 1374"> <thead> <tr> <th data-bbox="730 1190 887 1297">Date of allotment/ transfer / transmission</th> <th data-bbox="887 1190 1099 1297">Nature of transaction</th> <th data-bbox="1099 1190 1227 1297">No. of equity shares</th> <th data-bbox="1227 1190 1352 1297">Face value per equity share (₹)</th> <th data-bbox="1352 1190 1505 1297">Issue price/ transfer price per equity share (₹)</th> <th data-bbox="1505 1190 1659 1297">Percentage of pre-Offer equity share capital (%)</th> <th data-bbox="1659 1190 1816 1297">Percentage of post-Offer equity share capital (%)</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1297 887 1374">June 16, 2009</td> <td data-bbox="887 1297 1099 1374">Transfer from Vasanthi Muppudathy Thevar</td> <td data-bbox="1099 1297 1227 1374">2,500</td> <td data-bbox="1227 1297 1352 1374">100</td> <td data-bbox="1352 1297 1505 1374">20.00</td> <td data-bbox="1505 1297 1659 1374">0.05</td> <td data-bbox="1659 1297 1816 1374">[●]</td> </tr> </tbody> </table>				Date of allotment/ transfer / transmission	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of pre-Offer equity share capital (%)	Percentage of post-Offer equity share capital (%)	June 16, 2009	Transfer from Vasanthi Muppudathy Thevar	2,500	100	20.00	0.05	[●]	98	134
Date of allotment/ transfer / transmission	Nature of transaction	No. of equity shares	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of pre-Offer equity share capital (%)	Percentage of post-Offer equity share capital (%)															
June 16, 2009	Transfer from Vasanthi Muppudathy Thevar	2,500	100	20.00	0.05	[●]															

S. No.	Observations	Response							UDRHP Page Number (clean)	UDRHP Page Number (redline)
			<i>Transfer from Muppudathy Sivan Thevar</i>	19,900	100	20.00	0.40	[●]		
		<i>January 10, 2011</i>	<i>Further Allotment</i>	97,600	100	100.00	1.95	[●]		
		<i>June 15, 2011</i>	<i>Further Allotment</i>	76,000	100	100.00	1.52	[●]		
		<i>December 26, 2011</i>	<i>Further Allotment</i>	196,000	100	100.00	3.91	[●]		
		<i>March 17, 2012</i>	<i>Further Allotment</i>	88,000	100	100.00	1.76	[●]		
		<i>May 31, 2018</i>	<i>Transfer to Archit Aggarwal</i>	(100)	100	-	(0.00)	[●]		
			<i>Transfer to Veena Devi</i>	(100)	100	-	(0.00)	[●]		
		<i>January 18, 2022</i>	<i>Transfer to Vinay Kumar Lohariwala</i>	(117,000)	100	1,666.67	(2.34)	[●]		
		<i>Pursuant to a resolution passed by our Shareholders on April 4, 2022, the equity shares of our Company of face value ₹100 each were sub-divided into equity shares of face value ₹10 each. Pursuant to the corporate action initiated by our Company in this regard, the split of equity shares was effective from April 20, 2022.</i>								
		<i>April 27, 2022</i>	<i>Bonus issue</i>	10,884,000	10	-	21.73	[●]		
		Total				14,512,000	28.98	[●]		
32.	Page 116/117: LM is advised to remove future projections.	Please note that the projected working capital requirements for Fiscal 2023 and 2024 along with the key assumptions were disclosed on page 116 and 117 of the DRHP to comply with the applicable requirements under Schedule VI of the SEBI ICDR Regulations. These disclosures shall be further updated to reflect the projected working capital requirements for Fiscals 2024 and 2025 in the UDRHP.							110	150
33.	Page 171: LM is advised to disclose break up of revenue for CDMO business and other business.	<p>Note for compliance. We have amended the “Overview” subsection of the section “Our Business” on page 171 of the DRHP to add the break up of CDMO and other businesses in the UDRHP as follows:</p> <p><i>The tables set forth below sets forth our revenue from operations by business and as a percentage of revenue from operations on a restated consolidated basis and a pro forma consolidated basis for the periods indicated.</i></p>							200	268
		Restated Consolidated Financial Information								

S. No.	Observations	Response								UDRHP Page Number (clean)	UDRHP Page Number (redline)	
		Business Area	Fiscal 2021		Fiscal 2022		Fiscal 2023		Three months ended June 30, 2023			
			₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations		
		CDMO services and products *	3,708.71	90.31%	6,866.94	85.78%	6,795.56	73.36%	1,662.10	71.26%		
		Domestic branded generics	0.00	0.00%	370.51	4.63%	1,661.61	17.94%	422.53	18.12%		
		International branded generics	397.91	9.69%	767.81	9.59%	806.63	8.71%	247.80	10.62%		
		Sharon	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%		
		Revenue from Operations	4,106.62	100.00%	8,005.26	100.00%	9,263.80	100.00%	2,332.43	100.00%		
34.	Page 207: LM is advised to disclose brief financial highlights for past 3 years and also include nature of activities carried out for all subsidiaries.	<p>Complied with and noted for compliance.</p> <p>The nature of business that the Company's Subsidiaries, Univentis Medicare Limited ("UML") and Univentis Foundation, are engaged in has been disclosed on page 207 of the DRHP.</p> <p>The brief financial highlights of UML and the Univentis Foundation have been updated in the UDRHP, in the following manner:</p>								223	295	

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)																																																	
		<p>“1. Univentis Medicare Limited (“UML”)</p> <p>[...] Brief financial highlights of UML for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 are set out below.</p> <p style="text-align: right;">(₹ in million)</p> <table border="1" data-bbox="730 507 1821 751"> <thead> <tr> <th>Particulars</th> <th>Fiscal 2023</th> <th>Fiscal 2022</th> <th>Fiscal 2021</th> </tr> </thead> <tbody> <tr> <td>Reserves (excluding revaluation reserve)</td> <td>524.12</td> <td>418.94</td> <td>298.84</td> </tr> <tr> <td>Sales</td> <td>1783.32</td> <td>1687.77</td> <td>1579.49</td> </tr> <tr> <td>Profit after tax</td> <td>103.62</td> <td>119.73</td> <td>128.92</td> </tr> <tr> <td>Earnings per share</td> <td>690.78</td> <td>798.20</td> <td>859.48</td> </tr> <tr> <td>Diluted earnings per share</td> <td>690.78</td> <td>798.20</td> <td>859.48</td> </tr> <tr> <td>Net asset value</td> <td>524.12</td> <td>420.44</td> <td>300.34</td> </tr> </tbody> </table> <p>[..]”</p> <p>“2. Univentis Foundation</p> <p>[...] Brief financial highlights of the Univentis Foundation for the financial years ended March 31, 2023 and March 31, 2022 are set out below.</p> <p style="text-align: right;">(in ₹)</p> <table border="1" data-bbox="730 1007 1821 1251"> <thead> <tr> <th>Particulars</th> <th>Fiscal 2023</th> <th>Fiscal 2022</th> </tr> </thead> <tbody> <tr> <td>Reserves (excluding revaluation reserve)</td> <td>687,390</td> <td>3,518</td> </tr> <tr> <td>Sales</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Profit after tax</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Earnings per share</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Diluted earnings per share</td> <td>NA</td> <td>NA</td> </tr> <tr> <td>Net asset value</td> <td>687,390</td> <td>3,518</td> </tr> </tbody> </table> <p>[..]”</p>	Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021	Reserves (excluding revaluation reserve)	524.12	418.94	298.84	Sales	1783.32	1687.77	1579.49	Profit after tax	103.62	119.73	128.92	Earnings per share	690.78	798.20	859.48	Diluted earnings per share	690.78	798.20	859.48	Net asset value	524.12	420.44	300.34	Particulars	Fiscal 2023	Fiscal 2022	Reserves (excluding revaluation reserve)	687,390	3,518	Sales	NA	NA	Profit after tax	NA	NA	Earnings per share	NA	NA	Diluted earnings per share	NA	NA	Net asset value	687,390	3,518		
Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021																																																		
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Net asset value	687,390	3,518																																																			

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		<p>Subsequent to the filing of the DRHP, the Company has acquired Sharon Bio-Medicine Limited (“Sharon”). Sharon is a wholly owned Subsidiary of UML, and accordingly, is a Subsidiary of the Company. Appropriate disclosures in this regard have been included in the “History and Certain Corporate Matters” section of the UDRHP. The relevant disclosures regarding the nature of activities engaged in by Sharon and its brief financial highlights are reproduced below for your reference:</p> <p>“3. Sharon Bio-Medicine Limited (“Sharon”)</p> <p><i>[...] Sharon is engaged in the business of manufacturing of intermediates and active pharmaceutical ingredients as well as finished dosages.</i></p> <p><i>[...] Brief financial highlights of Sharon for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 are set out below.”</i></p> <p style="text-align: right;"><i>(₹ in million)</i></p> <table border="1" data-bbox="730 799 1816 1046"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2023</i></th> <th><i>Fiscal 2022</i></th> <th><i>Fiscal 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Reserves (excluding revaluation reserve)</i></td> <td><i>(6,418.27)</i></td> <td><i>(6,515.37)</i></td> <td><i>(6,707.85)</i></td> </tr> <tr> <td><i>Sales</i></td> <td><i>1,922.16</i></td> <td><i>1,883.91</i></td> <td><i>1,728.62</i></td> </tr> <tr> <td><i>Profit after tax</i></td> <td><i>93.32</i></td> <td><i>176.75</i></td> <td><i>140.47</i></td> </tr> <tr> <td><i>Earnings per share</i></td> <td><i>16.21</i></td> <td><i>30.71</i></td> <td><i>24.40</i></td> </tr> <tr> <td><i>Diluted earnings per share</i></td> <td><i>16.21</i></td> <td><i>30.71</i></td> <td><i>24.40</i></td> </tr> <tr> <td><i>Net asset value</i></td> <td><i>(6,000.18)</i></td> <td><i>(6,092.20)</i></td> <td><i>(6,254.69)</i></td> </tr> </tbody> </table> <p><i>[...]”</i></p>	<i>Particulars</i>	<i>Fiscal 2023</i>	<i>Fiscal 2022</i>	<i>Fiscal 2021</i>	<i>Reserves (excluding revaluation reserve)</i>	<i>(6,418.27)</i>	<i>(6,515.37)</i>	<i>(6,707.85)</i>	<i>Sales</i>	<i>1,922.16</i>	<i>1,883.91</i>	<i>1,728.62</i>	<i>Profit after tax</i>	<i>93.32</i>	<i>176.75</i>	<i>140.47</i>	<i>Earnings per share</i>	<i>16.21</i>	<i>30.71</i>	<i>24.40</i>	<i>Diluted earnings per share</i>	<i>16.21</i>	<i>30.71</i>	<i>24.40</i>	<i>Net asset value</i>	<i>(6,000.18)</i>	<i>(6,092.20)</i>	<i>(6,254.69)</i>		
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35.	Page 237: LM is advised to provide details of promoters, brief financials for past 3 years and nature of activities undertaken by all group companies.	<p>Noted for compliance.</p> <p>We have updated the section titled “Group Companies” in the following manner in the UDRHP:</p> <p>“1. Nugenic Pharma Private Limited (“Nugenic Pharma”)</p> <p><i>The registered office of Nugenic Pharma Private Limited is situated at 69/A, EPIP, Phase-1, Jharmajri, Baddi, Solan 173 205, Himachal Pradesh, India. The promoters of Nugenic Pharma are Vinay Kumar</i></p>	256	330																												

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)																																				
		<p><i>Lohariwala, Manoj Kumar Lohariwala, Rohit Lohariwala, Vikrant Lohariwala, Kaushlaya Devi Lohariwala and Bindu Devi Lohariwala. Nugenic Pharma is currently engaged in the business of manufacturing of packaging materials.</i></p> <p><i>Brief financial highlights of Nugenic Pharma based on the audited standalone financial statements for Fiscals 2023, 2022 and 2021 are set out below:</i></p> <p style="text-align: right;"><i>(₹ in million)</i></p> <table border="1" data-bbox="730 571 1816 818"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2023</i></th> <th><i>Fiscal 2022</i></th> <th><i>Fiscal 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Reserves (excluding revaluation reserve)</i></td> <td><i>165.13</i></td> <td><i>157.05</i></td> <td><i>155.59</i></td> </tr> <tr> <td><i>Total Revenue</i></td> <td><i>807.93</i></td> <td><i>639.47</i></td> <td><i>605.12</i></td> </tr> <tr> <td><i>Profit/(Loss) for the year</i></td> <td><i>8.25</i></td> <td><i>1.46</i></td> <td><i>8.90</i></td> </tr> <tr> <td><i>Earnings per share</i></td> <td><i>4.41</i></td> <td><i>0.78</i></td> <td><i>4.75</i></td> </tr> <tr> <td><i>Diluted earnings per share</i></td> <td><i>4.41</i></td> <td><i>0.78</i></td> <td><i>4.75</i></td> </tr> <tr> <td><i>Net asset value</i></td> <td><i>183.86</i></td> <td><i>175.77</i></td> <td><i>174.32</i></td> </tr> </tbody> </table> <p><i>Nugenic Pharma Private Limited's financial information based on the audited standalone financial statements for Fiscals 2021, 2020 and 2019. This information is also available on the website of our Company at www.innovacaptab.com/investor-relations.</i></p> <p><i>2. Azine Healthcare Private Limited ("Azine Healthcare")</i></p> <p><i>The registered office of Azine Healthcare Private Limited is situated at Plot No. 401, Kerela GIDC, Opp BSNL Tower, Bavla, Ahmedabad 382 200, Gujarat, India. The promoters of Azine Healthcare are Rekha Lohariwala, Shyamsunder Agrawal and Shyamsunder Lohariwala HUF. Azine Healthcare is currently engaged in the business of manufacturing of pharmaceutical products.</i></p> <p><i>Brief financial highlights of Azine Healthcare based on the audited standalone financial statements for Fiscals 2023, 2022 and 2021 are set out below:</i></p> <p style="text-align: right;"><i>(₹ in million)</i></p> <table border="1" data-bbox="730 1302 1816 1390"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2023</i></th> <th><i>Fiscal 2022</i></th> <th><i>Fiscal 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Reserves (excluding revaluation reserve)</i></td> <td><i>45.63</i></td> <td><i>44.80</i></td> <td><i>43.52</i></td> </tr> </tbody> </table>	<i>Particulars</i>	<i>Fiscal 2023</i>	<i>Fiscal 2022</i>	<i>Fiscal 2021</i>	<i>Reserves (excluding revaluation reserve)</i>	<i>165.13</i>	<i>157.05</i>	<i>155.59</i>	<i>Total Revenue</i>	<i>807.93</i>	<i>639.47</i>	<i>605.12</i>	<i>Profit/(Loss) for the year</i>	<i>8.25</i>	<i>1.46</i>	<i>8.90</i>	<i>Earnings per share</i>	<i>4.41</i>	<i>0.78</i>	<i>4.75</i>	<i>Diluted earnings per share</i>	<i>4.41</i>	<i>0.78</i>	<i>4.75</i>	<i>Net asset value</i>	<i>183.86</i>	<i>175.77</i>	<i>174.32</i>	<i>Particulars</i>	<i>Fiscal 2023</i>	<i>Fiscal 2022</i>	<i>Fiscal 2021</i>	<i>Reserves (excluding revaluation reserve)</i>	<i>45.63</i>	<i>44.80</i>	<i>43.52</i>		
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S. No.	Observations	Response			UDRHP Page Number (clean)	UDRHP Page Number (redline)																												
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		<p>3. DMS Electronics Private Limited ("DMS Electronics")</p>																																
		<p>The registered office of DMS Electronics Private Limited is situated at 11, A1 Block, Vasu Layout Rangarao Colony, Dattagally, Mysore 570 022, Karnataka, India. The promoters of DMS Electronics are Gian Parkash Aggarwal, Vijay Parkash Aggarwal, Ankit Aggarwal, Lalit Jindal, Archit Aggarwal, Rakesh Kumar Aggarwal and Mayur Aggarwal. DMS Electronics is currently engaged in the business of manufacturing of printed circuit boards.</p>																																
		<p>Brief financial highlights of DMS Electronics based on the audited standalone financial statements for Fiscals 2023, 2022 and 2021 are set out below:</p>																																
		<table border="1"> <thead> <tr> <th>Particulars</th> <th>Fiscal 2023</th> <th>Fiscal 2022</th> <th>Fiscal 2021</th> </tr> </thead> <tbody> <tr> <td>Reserves (excluding revaluation reserve)</td> <td>(28.50)</td> <td>(23.91)</td> <td>0.06</td> </tr> <tr> <td>Total Revenue</td> <td>4.93</td> <td>221.08</td> <td>151.75</td> </tr> <tr> <td>Profit/(Loss) for the year</td> <td>(4.59)</td> <td>(24.06)</td> <td>4.27</td> </tr> <tr> <td>Earnings per share</td> <td>(1.83)</td> <td>(10.32)</td> <td>4.27</td> </tr> <tr> <td>Diluted earnings per share</td> <td>(1.83)</td> <td>(10.32)</td> <td>4.27</td> </tr> <tr> <td>Net asset value</td> <td>(3.50)</td> <td>1.09</td> <td>10.06</td> </tr> </tbody> </table>			Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021	Reserves (excluding revaluation reserve)	(28.50)	(23.91)	0.06	Total Revenue	4.93	221.08	151.75	Profit/(Loss) for the year	(4.59)	(24.06)	4.27	Earnings per share	(1.83)	(10.32)	4.27	Diluted earnings per share	(1.83)	(10.32)	4.27	Net asset value	(3.50)	1.09	10.06		
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		<p>DMS Electronics Private Limited's financial information based on the audited standalone financial statements for Fiscals 2021, 2020 and 2019 This information is also available on the website of our Company at www.innovacaptab.com/investor-relations."</p>																																

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
36.	LM is advised to ensure that the main / sub-headings in the UDRHP / RHP do not have any abbreviations.	Complied with and noted for compliance.	-	-
37.	LM is advised that reference to name of any place mentioned in the offer document may be followed by name of City I State, as the case may be.	Complied with and noted for compliance.	-	-
38.	LM is advised to include updated audited financials at the time of filing UDRHP/RHP.	Noted for compliance to the extent applicable. We shall include the updated Restated Consolidated Financial Information, as of, and for the three months ended June 30, 2023, and as of, and for the years ended, March 31, 2023, 2022 and 2021 in the UDRHP, the RHP and the Prospectus.	260	334
39.	Page 413: LM is advised to disclose risk and the impact of recall of products under para (b).	<p>Noted for compliance. We undertake to further amend Risk Factor 10 (as already modified pursuant to previous SEBI comments) as follows:</p> <p><i>“Failure to comply with the quality requirements and technical specifications prescribed by our customers may lead to loss of business from such customers and could negatively impact our business, results of operations and financial condition, including cancellation of existing and future orders which may expose us to warranty claims.</i></p> <p><i>Our products and manufacturing processes are subject to stringent quality standards and specifications, typically specified by our CDMO customers in their respective agreements, and any deviations from the required specifications by our Company or failure to comply with the technical specifications of our customers regarding the composition of drugs or any alterations in manufacturing process or method or raw material, may lead to a recall of products or cancellation of the orders placed by our customers or may require prior intimation or consent from the customer.</i></p> <p><i>Some agreements also require us to furnish quality assurance and compliance certificates to the customers certifying that the quality of the products is as per the agreed specifications. As per the terms and conditions of the respective agreements, our customers have the right to reject the products in case of, inter alia, manufacturing defects, and discrepancy with respect to prescribed specifications, and we are responsible to replace such products free of any additional cost within a stipulated timeframe along with indemnity to the customer for losses arising from breach of obligations,</i></p>	39	48

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>specification of raw material used and manufacturing defect.</i></p> <p><i>During Fiscal 2019, Fiscal 2020 and Fiscal 2021 and during the nine months ended December 31, 2021, we have received certain complaints from our CDMO customers. The nature of these complaints was mainly related to packaging material of the products. There have not been any financial implications related to these complaints. We undertake corrective and preventive actions on these complaints on a regular basis.</i></p> <p><i>While we believe we undertake the necessary measures and engage internal and external experts to ensure that our facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to cancellation of the order, loss of customers, loss of reputation and goodwill of our Company. Additionally, it could expose us to indemnity, warranty claims, monetary liability and/or litigation. Our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, after providing a certain period of notice. While we have not received any adverse observations in the past from our customers pursuant to such audits, there can be no assurance that such audits would not result in any adverse observations in the future or that our customers will necessarily engage us for their outsourcing operations. The finished product delivered by us is further subject to laboratory validation by certain customers. Occurrence of any event on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition.</i></p> <p><i>In cases of recall of a product manufactured by us, our CDMO agreements typically require us to bear all the expenses and costs of such recall either upfront or by way of deduction from our bills, and the customers may also opt to terminate the agreement on account of such recall. During the period from April 1, 2018, to December 31, 2021, we had four cases of goods returned due to product recalls, and our liabilities on account of such product recalls is estimated at ₹0.05 million.</i></p> <p><i>In addition, a complaint dated September 11, 2018 was filed by the Drugs Inspector, representing the state of Tamil Nadu, before the Court of Judicial Magistrate No. VII, Coimbatore, against our Company and four of our Directors, namely, Jayant Vasudeo Rao, Gian Parkash Agarwal, Manoj Kumar</i></p>		

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
		<p><i>Lohariwala and Vinay Kumar Lohariwala, for contravening the provisions of section 18 (a)(i) of the Drugs and Cosmetics Act, 1940 by manufacturing, selling and distributing the 'Not of Standard Quality' drug ventoxol expectorant, since the sample taken did not confirm to the label claim with respect to one of its contents. Our Company has, pursuant to such complaint, recalled the drug from the vendors and distribution channels. The matter is currently pending. The impact of this drug recall did not have a material effect on our business or results of operations.</i></p> <p><i>Further, a complaint dated February 3, 2022 was filed by the Drugs Inspector, Srikakulam, representing the state of Andhra Pradesh, before the Court of Additional Judicial First Class Magistrate, Srikakulam District, against our Company and one of our Directors namely, Jayant Vasudeo Rao, for contravening the provisions of section 18 (a)(i) read with section 16 (1)(a) and the second schedule (1) of the Drugs and Cosmetics Act, 1940 by manufacturing, selling and distributing the 'Not of Standard Quality' drug pantaprazol sodium tablets with brand name Pantofresh - 40, since the sample taken had failed in the dissolution test as per the standards laid down by the Indian Pharmacopoeia Commission. Our Company has recalled the drug pursuant to such complaint. The matter is currently pending. The impact of this drug recall did not have a material effect on our business or results of operations."</i></p>		
40.	LM is advised to assess and disclose the impact (if any), if the cases are not in favour of the Company/directors.	<p>Complied with. A risk factor titled <i>"There is pending litigation against our Company, Promoters, Subsidiaries and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition"</i> has been disclosed in the <i>"Risk Factors"</i> section of the DRHP, on page 52 of the DRHP.</p> <p>This risk factor has been suitably updated in the UDRHP to include details of the outstanding litigation required to be disclosed in terms of the SEBI ICDR Regulations as on the date of the UDRHP.</p>	53	72
41.	With respect to all the complaints received by LM / Company / forwarded by SEBI, LM is advised to ensure that there is adequate redressal of the complaint and relevant disclosures of the same are made in the Red Hearing Prospectus and other Offer related material along with the disclosures of the financial impact of the same, if any.	Noted for compliance. Neither the BRLMs nor the Company have received any complaints, nor have any complaints been forwarded by SEBI, in connection with the DRHP or the Offer.	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
42.	<p>LM is advised to ensure that the disclosure of details of all the criminal matters initiated by or against the company, group, directors, promoters, subsidiaries which are at FIR stage and no / some cognizance has been taken by court, is incorporated in the UDRHP / RHP along with appropriate risk factors in this regard.</p>	<p>Complied with and noted for compliance, to the extent applicable.</p> <p>Details of all outstanding criminal proceedings involving the Company, Subsidiaries, Promoters and Directors, including proceedings at the FIR stage, if any, have been disclosed in the UDRHP, in accordance with the SEBI ICDR Regulations.</p> <p>Further, in terms of the SEBI ICDR Regulations, only those proceedings involving the Group Companies which have a material impact on the Company are required to be disclosed in the UDRHP. Accordingly, details of all criminal proceedings involving the Group Companies which have a material impact on the Company, including proceedings at the FIR stage, if any, have been disclosed in the UDRHP, in accordance with the SEBI ICDR Regulations. Details in connection with any other criminal proceedings involving the Group Companies are not sought to be included.</p>	424	460
43.	<p>LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:</p> <p><i>“Risks to Investors:</i></p> <p><i>i. The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date.”</i></p> <p><i>ii. Any adverse data in the basis for issue price should be disclosed. For example:</i></p> <ul style="list-style-type: none"> <i>• “The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as</i> 	<p>Noted for compliance.</p>	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	<p><i>compared to the average industry peer group PE ratio of [to be disclosed].”</i> <i>[if average industry peer group PE ratio is not available, then PIE of Nifty Fifty may be disclosed]</i></p> <ul style="list-style-type: none"> • <i>“Average cost of acquisition of equity shares for the selling shareholders in /PO is [to be disclosed] and offer price at upper end of the price band is [to be disclosed].</i> • <i>“Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed] %.”</i> <p>The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio/ data in basis for issue price should be disclosed.</p>			
44.	LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments, if any.	Noted for compliance.	-	-
45.	LM is advised to ensure compliance with the below email advisory sent to AIBI through email dated November 13 and November 15, 2021 and amendment to ICDR dated November 21,2022:-	Complied with and noted for compliance.	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)												
	<p>a. LM shall ensure that all issuer companies filing offer document should provide – Price at which specified security was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights. Following details may be disclosed for such transactions in tabular format – name of acquirer, date of acquisition, number of shares acquired and acquisition price per share.</p> <p>b. The portion pertaining to “Risks to Investors” shall constitute at least 33% of the price band advertisement space.</p> <p>c. The risks to investors shall include weighted average cost of acquisition of all shares transacted in last 3 years, 18 months and 1 year, from the date of RHP, in the following format:</p> <table border="1" data-bbox="168 1002 696 1359"> <thead> <tr> <th data-bbox="168 1002 262 1182">Period</th> <th data-bbox="262 1002 394 1182">Weighted Average Cost of Acquisition (in Rs.)</th> <th data-bbox="394 1002 546 1182">Cap Price is 'X' times the Weighted Average cost of Acquisition</th> <th data-bbox="546 1002 696 1182">Range of acquisition price: Lowest Price -Highest Price (in Rs.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="168 1182 262 1241">Last 1 year</td> <td data-bbox="262 1182 394 1241"></td> <td data-bbox="394 1182 546 1241"></td> <td data-bbox="546 1182 696 1241"></td> </tr> <tr> <td data-bbox="168 1241 262 1359">Last 18 months</td> <td data-bbox="262 1241 394 1359"></td> <td data-bbox="394 1241 546 1359"></td> <td data-bbox="546 1241 696 1359"></td> </tr> </tbody> </table>	Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average cost of Acquisition	Range of acquisition price: Lowest Price -Highest Price (in Rs.)	Last 1 year				Last 18 months						
Period	Weighted Average Cost of Acquisition (in Rs.)	Cap Price is 'X' times the Weighted Average cost of Acquisition	Range of acquisition price: Lowest Price -Highest Price (in Rs.)													
Last 1 year																
Last 18 months																

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	<p><i>Last 3 years</i></p> <p><i>Range of acquisition should show lowest price of acquisition excluding gift/bonus.</i></p> <p><i>d. The font size for price band and "Risk to investors" should be increased to match the font of BID/Offer Programme.</i></p> <p><i>e. Matters related to ASBA and UPI may be brought subsequent to Price Band, Risks to Investors, Bid/Offer Programme and other offer details, and can be of smaller font.</i></p> <p><i>The portion pertaining to "BRLMs" shall not constitute more than 10% of the price band advertisement space.</i></p>			
46.	LM is advised to suitably incorporate the comments of the stock exchanges, if any in the UDRHP/RHP.	Noted for compliance.	-	-
Annexure II – General Observations				
1.	LM is advised to ensure that prior to filing of RHP with Registrar of Companies, the Issuer Company has received crucial clearances / licenses / permissions / approvals from the required competent authority which are necessary for commencement of the activity for which the issue proceeds are proposed to be utilized.	Not applicable. The Net Proceeds of the Offer are not being utilised by the Company for the commencement of any activity which would require approval from any statutory or regulatory authority.	-	-
2.	LM is advised to ensure that the 'Observation Letter' issued by SEBI is included among the material contracts and documents for inspection.	Complied with. It is confirmed that the observation letter issued by SEBI has been included in the "Material Contracts and Documents for Inspection" section of the UDRHP.	531	571

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
3.	LM is advised to ensure that prior to proceeding with the issue, "No Objection Certificates" are obtained from all the lenders with whom the company has entered into an agreement and the terms of such agreement require an approval to be taken.	Complied with. The Company has obtained the necessary consents as required under the relevant loan documentation for undertaking activities in relation to the Offer, from the relevant lenders from whom such consent is required.	-	-
4.	LM is advised to ensure that adequate disclosures are made to disclose any material development which may have a material effect on the Issuer Company between the date of registering final prospectus or the red herring prospectus or the letter of offer, with the Registrar of Companies or designated stock exchange, as the case may be, and the date of allotment of specified securities, while ensuring compliance with Regulation 42 and Schedule IX of SEBI (ICDR) Regulations, 2018.	Noted for compliance.	-	-
5.	LM is advised to ensure that exact cross-referencing of page numbers is provided in the offer document instead of general cross-referencing.	Complied with and noted for compliance.	-	-
6.	In terms of SEBI Circulars No. SEBI/CIR/ISD/03/2011, No. SEBI/CIR/ISD/05/2011 and SEBI/CIR/ISD/01/2012 dated June 17, 2011, September 30, 2011 and March 30, 2012 respectively, LM is advised to ensure that 100% promoter holding is in demat form prior to listing.	Complied with. The Equity Shares held by the Promoters are in dematerialized form as on the date of the UDRHP. Further, the disclosure in this regard has been included under the heading " <i>Capital Structure</i> " in the UDRHP.	97	133
7.	LM is advised to ensure that SCORES authentication is taken by the issuer company prior to listing.	Complied with. The Company has obtained SCORES authentication and the disclosure under " <i>Other Regulatory and Statutory Disclosures – Disposal of Investor Grievances by our Company</i> " has accordingly been modified in the UDRHP to reflect this.	457	497
8.	In pursuance of Regulation 25 Sub-Regulation 9(a) of SEBI (ICDR) Regulations, 2018, LM is advised to	Complied with to the extent applicable. We certify that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the UDRHP.	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	<p>certify while submitting the in-seriatim reply that all amendments, suggestions and observations advised by SEBI have been complied with and duly incorporated in the offer document, while also indicating the page number for the same.</p>			
9.	<p>ASBA:</p> <p>i) LM is advised to ensure that sufficient number of Physical ASSA forms are printed and dispatched directly to all designated branches of SCSBs which are located in places of mandatory collection centres as specified in Schedule XII of SEBI (ICDR) Regulations, 2018, Syndicate Members and Registered Brokers of Stock Exchanges, the Registrars to an Issue and Share Transfer Agents (RTAs) and Depository Participants (DPs) . registered with SEBI, at least two days before the opening of the issue. This shall be in addition to ASBA forms which shall be sent to controlling branch of SCSBs for sending to designated branches other than those located in mandatory collection center.</p> <p>ii) LM is advised to ensure that the ASBA mode of payment is highlighted in bold in all the advertisement / communication informing about the issue. Further, LM is also advised to ensure that the following is suitably incorporated in all advertisements / communications regarding the issue issued by the issuer:</p>	Noted for compliance.	-	-

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	<p>a. The following may appear just below the price information of the issue as shown below:</p> <p>"PRICE BAND: RS. xx TO RS. xx PER EQUITY SHARE OF FACE VALUE OF RS. xx EACH</p> <p>THE FLOOR PRICE IS xx TIMES OF THE FACE VALUE AND THE CAP PRICE IS xx TIMES OF THE FACE VALUE</p> <p>BID CAN BE MADE FOR A MINIMUM OF xx EQUITY SHARES AND IN MULTIPLES OF xx EQUITY SHARES THEREAFTER.</p> <p style="text-align: center;">ASBA <small>(APPLICATION SUPPORTED BY BLOCKED AMOUNT)</small></p> <p style="text-align: center;">Simple, Safe, Smart way of Application !!</p> <p style="text-align: center;">Mandatory in public issue .No cheque will be accepted</p> <p>UPI <small>now available in ASBA for retail individual invest</small> <small>UNIFIED PAYMENTS INTERFACE</small></p> <p><i>*ASBA is a better way of applying to issues by simply blocking the fund in the bank account.</i></p> <p><i>For further details check section on ASBA below. "</i></p>			

S. No.	Observations	Response	UDRHP Page Number (clean)	UDRHP Page Number (redline)
	<p>b. The following paragraph on ASBA may be inserted in the advertisement/ Communications:</p> <p><i>“ASBA has to be availed by all the investors except anchor investors. UPI may be availed by Retail Individual Investors.</i></p> <p><i>For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section “Issue Procedure - Issue Procedure of ASBA Bidders” beginning on page xxx of the Red Herring Prospectus. The process is also available on the website of AIBI and Exchanges in the General Information Document.”</i></p> <p><i>ASBA bid-cum application forms can be downloaded from the websites of Bombay Stock Exchange and National Stock Exchange and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in.**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in**</i></p>			

Appendix A

Name of the lender	Nature of borrowing	Date of original sanction letter	Sanctioned amount (in ₹ million)	Outstanding amount as at October 31, 2023 (in ₹ million)	Repayment date / schedule	Interest rate (p.a.) as at October 31, 2023	Purpose of raising the loan	Pre-payment penalty, if any	Amount proposed to be funded through the Net Proceeds (in ₹ million)
State Bank of India	Cash credit / working capital demand loan*	July 14, 2021	1,250.00	769.30	Repayable on demand.	Cash credit: (6 month MCLR + 0.10%) = 8.50% Working capital demand loan: (3 month TB + 1%) = 7.72%	Working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	656.82
	Term loan	September 8, 2023	800.00	88.29	Maximum tenure of 96 months (including a moratorium of 16 months)	(3 month MCLR + 0.00%) = 8.15%	To set up a new facility at Jammu	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	-
Yes Bank Limited	Cash credit / working capital demand loan**	April 29, 2022	650.00	583.28	Maximum tenure of 12 months.	Cash credit: (1 month MCLR + 0.05%) = 9.10% Working capital demand loan: (1 month TB + 1.43%) = 7.90%	Working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	583.28
The Hong Kong and Shanghai Banking Corporation	Cash credit/ Working capital demand loan***	August 19, 2020	100.00	60.54	Repayable on demand.	Cash credit: 8.50% Working capital demand loan: (3 month TB + 1.43%) = 8.46%	Working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	60.54
	Term loan	March 19, 2021	200.00	98.08	84 months (including a moratorium of 6 months).	(3 month TB + 1.50) = 8.31%	Acquisition of capital equipment.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	98.08
		March 19, 2021		45.28	84 months (including a moratorium of 6 months).	(3 month TB + 1.50) = 8.31%	Acquisition of capital equipment.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.	45.28
HDFC Bank Limited	Cash credit/ working capital demand loan****	September 26, 2022	200.00	120.26	Repayable on demand.	Cash credit: (3 month TB + 1.46%) = 8.17% Working capital demand loan: (3	Working capital requirements	2% per annum over and above agreed rate of interest.	-



Name of the lender	Nature of borrowing	Date of original sanction letter	Sanctioned amount (in ₹ million)	Outstanding amount as at October 31, 2023 (in ₹ million)	Repayment date / schedule	Interest rate (p.a.) as at October 31, 2023	Purpose of raising the loan	Pre-payment penalty, if any	Amount proposed to be funded through the Net Proceeds (in ₹ million)
						month TB + 1.46% = 8.52%			
	Term loan	September 26, 2022	2,300.00	1,309.83	120 months (including a moratorium of 24 months)	3 month TB + 1.04% = 7.75%	To set up a new facility at Jammu	2% per annum over and above agreed rate of interest.	-

* Working Capital demand loan amounting to ₹650 million is within overall cash credit limit of ₹1,250 million

** Working Capital demand loan and cash credit amounting to ₹650 million are within overall cash credit limit of ₹650 million.

*** Working Capital demand loan amounting to ₹100 million and cash credit limit of ₹100 million are within overall combined fund based limit of ₹100 million.

**** Working Capital demand loan amounting to ₹200 million is within overall cash credit limit of ₹200 million.

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposed availed, our Company has obtained the requisite certificate dated [●] from our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, wherein the Statutory Auditors have certified that nothing has come to their attention that causes them to believe that the loans that are proposed to be repaid or pre-paid out of Net Proceeds have not been utilized for the purposes for which these were availed.

Schedule A

Compliance with in-seriatim response to the Initial Observations

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	With reference to the Draft Red Herring Prospectus of captioned IPO filed with SEBI, you are advised to clarify on the following points:			
GENERAL CLARIFICATIONS:				
1.	LM is advised to examine the applicability of SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012, to the DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.	We have set forth a para-wise confirmation with respect to the non-applicability of each criteria specified under the SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 dated October 9, 2012 to the DRHP and/or the proposed Offer, as Schedule I .	=	=
2.	LM is advised to examine the applicability of SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020, dated February 05, 2020, to the DRHP of Issuer Company and confirm whether the said general order is applicable to the instant public issue/DRHP. LM is further advised to provide a para-wise reply on the applicability of aforesaid order.	We have set forth a para-wise confirmation with respect to the non-applicability of each criteria specified under the Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 dated February 5, 2020 to the DRHP and/or the proposed Offer, as Schedule II .	-	-
3.	LM is also advised to disclose whether any action has been	Complied with to the extent applicable. Details of all pending actions by statutory or regulatory authorities against the Promoters and Directors of the Company have been disclosed in the section titled " <i>Outstanding Litigation and Other</i>	424	460

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	<p>taken / is pending against the promoter / promoter group/ director of the issuer / Group Companies etc. by any regulatory authority in India or overseas.</p>	<p><i>Material Developments</i>” on page 412 of the DRHP. Further, as on the date of the DRHP, there were no pending litigation proceedings involving the Group Companies which will have a material impact on the Company, and a disclosure in this regard has been included on pages 238 and 419 of the DRHP.</p> <p>The updated draft red herring prospectus (“UDRHP”) and RHP will be updated with any further developments in such matters and to include further matters that may have been initiated since the date of filing of the DRHP, if any.</p> <p>Further, in terms of the SEBI ICDR Regulations, there is no requirement for the Company to disclose details of any litigation involving members of the Promoter Group. Accordingly, no disclosures for litigation involving members of the Promoter Group are sought to be made.</p>		
4.	<p>LM is advised to submit whether there has been any instance of issuance of equity shares in the past by the issuer Company, the Group Companies or entities forming part of the Promoter Group to more than 49 investors in violation of:</p> <p>a) Section 67(3) of Companies Act, 1956; or b) relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder; or c) the SEBI Regulations; or d) the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable.</p>	<p>There have been no instances in the past of issuance of equity shares by the Company, the Group Companies or entities forming part of the Promoter Group to more than 49 / 200 investors, as applicable, in violation of:</p> <ul style="list-style-type: none"> • Section 67(3) of Companies Act, 1956; or • relevant section(s) of Companies Act, 2013, including Section 42 and the rules notified thereunder, each as amended; or • the SEBI ICDR Regulations; or • the SEBI (Disclosure and Investor Protection) Guidelines, 2000, as applicable. 	-	-
5.	<p>It has been observed that in various instances, disclosures</p>	<p>The phrase ‘we believe’ has been used primarily in the sections titled “<i>Our Business</i>”, “<i>Risk Factors</i>”, “<i>Our Objects</i>” and “<i>Management’s Discussion and Analysis of Financial Position and Results of Operations</i>” in the DRHP, and in the</p>	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	<p>have been made in the offer document stating 'we believe and /or we are' LM is advised to provide the basis for making such disclosures in the offer document while also explaining compliance with Regulation 24 (1) and Regulation 25 (2) (b) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations").</p>	<p>context of disclosures relating to the business and operations of the Company and the industry in which it operates, to the extent that such disclosures are qualitative in nature and not entirely quantifiable. The term 'we believe' has been used in certain statements while describing the expected effect or possible outcome of a particular factor which cannot be quantifiably expressed or where the effect of a singular factor could not be distinguished and expressed in isolated terms from other factors that may have also affected a particular outcome. Further, such statements have also been used in these sections to describe the Company's belief in the strategies adopted by the Company in various aspects of its operations and its impact on the growth of its business.</p> <p>Therefore, to the extent that any disclosures are qualitative in nature and not entirely quantifiable or ascribable to a particular cause, such disclosures have been qualified by the phrase 'we believe' in order to highlight to potential investors that such statements, while based on reasonable assumptions, cannot be confirmed in tangible terms or by an independent source.</p> <p>Further, the phrase 'we believe' has not been used in relation to the Company's market standing or position relative to its competitors. Any statements in relation to the market standing of the Company or its position relative to its competitors have been included based on the statements derived from the CRISIL Report.</p> <p>Accordingly, the DRHP is in compliance with Regulation 24(1) of the SEBI ICDR Regulations, to the extent applicable. Statements containing 'we believe' which will be retained in the UDRHP, RHP and the Prospectus to be filed in connection with the Offer will continue to be those which meet the rationale set out above.</p> <p>In compliance with Regulation 25(2)(b) of the SEBI ICDR Regulations, the BRLMs have submitted a due diligence certificate dated June 28, 2022, along with (i) a due diligence process note as required under Form A of Schedule V of the SEBI ICDR Regulations (Annexure III A thereto); and (ii) a detailed checklist indicating compliance of the disclosures in the DRHP with the applicable provisions of the SEBI ICDR Regulations (Annexure III B thereto) with SEBI.</p>		
6.	<p>LM is advised to refrain from using adjectives and replace the words such as largest, biggest etc. used at various places in the draft offer document.</p>	<p>Noted for compliance.</p>	-	-
7.	<p>LM is advised to ensure that all the cross references given in the offer document are correct, leading to the exact page, instead of referring to the beginning of the section. LM may provide the exact</p>	<p>Noted for compliance to the extent applicable.</p>	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	risk factor number instead of giving cross referencing of the page no., in all the references in the document.			
SPECIFIC CLARIFICATIONS:				
8. Forward looking statements				
	It may be noted that point (e) under Instructions of Part A of Schedule VI of ICDR Regulations, 2018, states that the offer document should not make any forward looking statements that cannot be substantiated. In view of the same, you are advised to confirm and explain compliance with aforesaid provision with respect to all such forward looking statements made in the DRHP.	<p>Complied with.</p> <p>Paragraph (11)(I)(C)(ii) of Part A of Schedule VI of the SEBI ICDR Regulations requires that factors that may affect the results of operations of an issuer shall be disclosed in its offer documents. Further, Paragraph (10)(B)(2) of Part A of Schedule VI of the SEBI ICDR Regulations requires that statements about the business strategy of an issuer shall be disclosed in its offer documents, without any forecast of projections relating to the financial performance of the issuer. Further, in accordance with Paragraph (5)(D)(1) of Part A of Schedule VI of the SEBI ICDR Regulations, details of risks envisaged by an issuer are required to be disclosed in its offer documents.</p> <p>In light of these disclosure requirements, certain forward-looking statements have been included in the DRHP to describe, among other things, the business strategies of the Company, plans, the potential effect or outcome of certain risks which cannot be quantified, and to indicate certain significant factors which could potentially have an impact on the results of operations or financial condition of the Company. In terms of paragraph (e) under Instructions of Part A of Schedule VI of the SEBI ICDR Regulations, there is a restriction to include in the offer documents, any forward-looking statements, unless such statements can be substantiated. As set out in the section titled “<i>Forward-Looking Statements</i>” on page 24 of the DRHP, the assumptions based on which such forward-looking statements have been made in the DRHP are reasonable and reflect the views of the Company’s management based on available information as of the date of the DRHP. Accordingly, such statements included in the DRHP are in compliance with paragraph (e) under Instructions of Part A of Schedule VI of the SEBI ICDR Regulations.</p>	24	29
9. Risk Factors				
a)	LM is advised to rearrange the risk factors based on materiality.	<p>Complied with and noted for compliance.</p> <p>The risk factors included in the DRHP were arranged and disclosed in order of materiality as perceived by the Company, in terms of (i) the potential impact of the relevant risk on the financial condition, cash flows and results of operations of the Company, and (ii) the likelihood of the occurrence of the relevant risk event described.</p>	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>In addition, while determining the materiality of a risk, in accordance with Paragraph (5)(C) of Schedule VI of the SEBI ICDR Regulations, the following factors were also considered:</p> <ul style="list-style-type: none"> • some risks may not be material individually but may be material when considered collectively; • some risks may have an impact which is qualitative though not quantitative; and • some risks may not be material at present but may have a material impact in the future 		
b)	<p>Risk Factor 4: LM is advised to disclose top 10 CDMO customers based on the revenue from operations.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 4 in the UDRHP and RHP as follows:</p> <p><i>“4. We depend on a limited number of contract development and manufacturing organization (“CDMO”) customers, including leading Indian pharmaceutical companies. Any adverse developments or inability to enter into or maintain relationships with these CDMO customers could have an adverse effect on our business, results of operations and financial condition.</i>”</p> <p><i>Our CDMO business is focused on providing products and services across a diverse range of generic pharmaceutical products for Indian pharmaceutical companies who market such products under their own brand names to the end users. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, revenue from our CDMO business on a restated consolidated basis were ₹3,313.68 million, ₹3,429.19 million, ₹3,708.71 million and ₹5,400.64 million, respectively, and accounted for 93.13%, 91.86%, 90.31% and 92.46%, respectively, of revenue from operations on a restated consolidated basis. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, revenue from our CDMO business on a proforma basis were ₹3,947.68 million, ₹3,911.00 million, ₹4,050.31 million and ₹4,591.57 million, respectively, and accounted for 79.98%, 72.25%, 65.98% and 72.45%, respectively, of revenue from operations on a proforma consolidated basis. Further, the number of CDMO customers that we have represented has increased from 108 in Fiscal 2019 to 164 in the nine months ended December 31, 2021 on a restated consolidated basis and has increased from 155 in Fiscal 2019 to 164 in the nine months ended December 31, 2021 on a proforma consolidated basis. Our business, results of operations and financial condition are dependent on our relationships with and continued supply to our Indian pharmaceutical customers. However, some of our customers may start manufacturing at their own facilities and may discontinue the use of our CDMO services and products. Further, we typically plan and incur capital expenditure for future periods. Delays in successfully entering into contracts for utilization of upcoming capacity may result in lack of proportionate increase in our revenues and results of operations, vis-à-vis an installed capacity increase. In addition, there can be no assurance that we will be able to maintain historic levels of business with our significant customers. If we are unable to maintain relationships with the Indian pharmaceutical companies on existing terms and conditions and if there is delay in replacing these</i></p>	37	46

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)																																								
		<p>discontinuations with our new products or new customers, it could have an adverse impact on our business, results of operations and financial condition. Further, if any such customer relationship terminations result in adverse impact on our reputation, it could have a follow-on effect on our ability to engage with new customers.</p> <p>In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our top 10 customers contributed revenues on a restated consolidated basis of ₹1,992.38 million, ₹1,948.28 million, ₹2,022.01 million and ₹2,491.15 million, respectively, which represented 60.13%, 56.81%, 54.52% and 46.13%, respectively, of revenue from operations from our CDMO business on a restated consolidated basis; and our top 20 customers contributed revenues on a restated consolidated basis of ₹2,478.74 million, ₹2,270.02 million, ₹2,365.33 million and ₹3,035.77 million, respectively, which represented 74.80%, 66.20%, 63.78% and 56.21%, respectively, of revenue from operations from our CDMO business on a restated consolidated basis. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our top 10 customers contributed revenues on a proforma consolidated basis of ₹2,276.26 million, ₹2,158.06 million, ₹2,267.48 million and ₹2,491.15 million, respectively, which represented 57.66%, 55.18%, 55.98% and 54.25%, respectively, of revenue from operations from our CDMO business on a proforma consolidated basis; and our top 20 customers contributed revenues on a proforma consolidated basis of ₹2,963.18 million, ₹2,608.10 million, ₹2,704.73 million and ₹3,007.05 million, respectively, which represented 75.06%, 66.69%, 66.78% and 65.49%, respectively, of revenue from operations from our CDMO business on a proforma consolidated basis.</p> <p><i>Our revenue from our top 10 customers on a restated consolidated basis for the periods indicated are set forth below.</i></p> <p style="text-align: right;"><i>(in ₹ million)</i></p> <table border="1" data-bbox="551 1029 1765 1372"> <thead> <tr> <th><i>Top Ten Customers (1)</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>1</i></td> <td><i>654.64</i></td> <td><i>619.27</i></td> <td><i>580.70</i></td> <td><i>622.00</i></td> </tr> <tr> <td><i>2</i></td> <td><i>180.17</i></td> <td><i>275.26</i></td> <td><i>183.27</i></td> <td><i>621.46</i></td> </tr> <tr> <td><i>3</i></td> <td><i>228.75</i></td> <td><i>235.21</i></td> <td><i>325.06</i></td> <td><i>161.30</i></td> </tr> <tr> <td><i>4</i></td> <td><i>209.71</i></td> <td><i>194.97</i></td> <td><i>185.35</i></td> <td><i>153.97</i></td> </tr> <tr> <td><i>5</i></td> <td><i>95.07</i></td> <td><i>111.19</i></td> <td><i>163.31</i></td> <td><i>339.85</i></td> </tr> <tr> <td><i>6</i></td> <td><i>240.16</i></td> <td><i>153.78</i></td> <td><i>221.32</i></td> <td><i>80.64</i></td> </tr> <tr> <td><i>7</i></td> <td><i>129.03</i></td> <td><i>121.57</i></td> <td><i>113.07</i></td> <td><i>181.81</i></td> </tr> </tbody> </table>	<i>Top Ten Customers (1)</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Nine Months ended December 31, 2021</i>	<i>1</i>	<i>654.64</i>	<i>619.27</i>	<i>580.70</i>	<i>622.00</i>	<i>2</i>	<i>180.17</i>	<i>275.26</i>	<i>183.27</i>	<i>621.46</i>	<i>3</i>	<i>228.75</i>	<i>235.21</i>	<i>325.06</i>	<i>161.30</i>	<i>4</i>	<i>209.71</i>	<i>194.97</i>	<i>185.35</i>	<i>153.97</i>	<i>5</i>	<i>95.07</i>	<i>111.19</i>	<i>163.31</i>	<i>339.85</i>	<i>6</i>	<i>240.16</i>	<i>153.78</i>	<i>221.32</i>	<i>80.64</i>	<i>7</i>	<i>129.03</i>	<i>121.57</i>	<i>113.07</i>	<i>181.81</i>		
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		8	188.35	48.92	66.75	100.41		
		9	48.81	90.01	98.06	151.30		
		10	17.68	98.10	85.11	78.41		
		Total	1,992.38	1,948.28	2,022.01	2,491.15		
		<p>(1) The top ten customers provided are our top ten customers in terms of revenue contribution on a restated consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.</p>						
		<p>Our revenue from our top 10 customers on a proforma consolidated basis for the periods indicated are set forth below.</p>						
		<p style="text-align: right;">(in ₹ million)</p>						
		Top Ten Customers (1)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Nine Months ended December 31, 2021		
		1	654.64	619.27	580.70	622.00		
		2	220.13	297.43	221.19	621.46		
		3	228.75	235.21	325.06	161.30		
		4	269.46	241.72	240.74	153.97		
		5	300.08	197.80	282.58	80.64		
		6	132.42	149.92	187.31	339.85		
		7	174.00	157.82	159.74	181.81		
		8	227.51	66.48	81.42	100.41		
		9	48.81	90.01	98.06	151.30		
		10	20.45	102.40	90.67	78.41		
		Total	2,276.26	2,158.06	2,267.48	2,491.15		
		<p>(1) The top ten customers provided are our top ten customers in terms of revenue contribution on a proforma consolidated basis for Fiscal 2019, Fiscal 2020, Fiscal 2021 and the nine months ended December 31, 2021.</p>						
		<p>[...]"</p>						
c)	<p>Risk Factor 5: LM is advised to disclose top 10 export (final product) and import (raw material) jurisdictions and their</p>	<p>Noted for compliance. We understand that the observation applies to Risk Factor 6. We undertake to amend Risk Factor 6 in the UDRHP and RHP as set forth under 9(d) below.</p>					34	42

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)																		
	share in the total export and import, respectively.																					
d)	<p>Risk Factor 5: LM is advised to disclose market share of the Company in India and abroad for the segments in which Company operates. Any increase / decrease of the market share, in these segments, in past 3 financial years to be disclosed. LM is also advised to provide names of key competitors for the segments in which the Company operates.</p>	<p>Noted for compliance. We understand that the observation applies to Risk Factor 6. The Company advises only market share and competitors in the CDMO formulations business was available from the industry expert, CRISIL Research. We undertake to amend Risk Factor 6 in the UDRHP and RHP as set forth below.</p> <p><i>“6. We operate in a market that is highly competitive. We compete to provide outsourced pharmaceutical manufacturing services or CDMO services and products, particularly for formulations, to pharmaceutical companies in India and other jurisdictions. In addition, our branded generic products compete with generic products of other suppliers in India and other jurisdictions.</i></p> <p><i>We compete to provide services to pharmaceutical companies in the CDMO industry. Our competition in the CDMO services and products includes full-service pharmaceutical outsourcing or CDMO companies; contract manufacturers focusing on a limited number of dosage forms; contract manufacturers providing multiple dosage forms; and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity.</i></p> <p><i>The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. As a result, the bargaining power of contract manufacturing players is lowered owing to high competition. (Source: CRISIL Report, May 2022). The key players in the Indian CDMO segment include Akums Drugs and Pharmaceuticals Limited, Synokem Pharmaceuticals Limited, Theon Pharmaceuticals Limited, Tirupati Medicare Limited and Windlas Biotech Limited. (Source: CRISIL Report, May 2022).</i></p> <p><i>The following table sets forth the key players across the Indian CDMO industry for the Fiscal 2021.</i></p> <table border="1" data-bbox="555 1169 1749 1394"> <thead> <tr> <th><i>Company Name</i></th> <th><i>Date of Incorporation</i></th> <th><i>Registered office location</i></th> </tr> </thead> <tbody> <tr> <td><i>Acme Formulation Private Limited</i></td> <td><i>2004</i></td> <td><i>Himachal Pradesh</i></td> </tr> <tr> <td><i>Akums Drugs and Parmaceuticals Ltd</i></td> <td><i>2004</i></td> <td><i>Delhi</i></td> </tr> <tr> <td><i>Innova Captab Limited</i></td> <td><i>2005</i></td> <td><i>Mumbai</i></td> </tr> <tr> <td><i>Synokem Pharmaceuticals Limited</i></td> <td><i>1983</i></td> <td><i>Delhi</i></td> </tr> <tr> <td><i>Theon Pharmaceuticals Limited</i></td> <td><i>2005</i></td> <td><i>Chandigarh</i></td> </tr> </tbody> </table>	<i>Company Name</i>	<i>Date of Incorporation</i>	<i>Registered office location</i>	<i>Acme Formulation Private Limited</i>	<i>2004</i>	<i>Himachal Pradesh</i>	<i>Akums Drugs and Parmaceuticals Ltd</i>	<i>2004</i>	<i>Delhi</i>	<i>Innova Captab Limited</i>	<i>2005</i>	<i>Mumbai</i>	<i>Synokem Pharmaceuticals Limited</i>	<i>1983</i>	<i>Delhi</i>	<i>Theon Pharmaceuticals Limited</i>	<i>2005</i>	<i>Chandigarh</i>	34	42
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		<i>Tirupati Medicare Ltd</i>	2005	Delhi		
		<i>Windlas Biotech Ltd</i>	2001	Dehradun		
		<p><i>Note: The list of competitors is an indicative list and not an exhaustive list.</i></p>				
		<p><i>Sources: MCA, company websites and filings, CRISIL Research</i></p>				
		<p><i>(Source: CRISIL Report).</i></p>				
		<p><i>In addition, in Europe and Asia, there are a large number of privately owned, dedicated outsourcing companies that serve only their local or national markets. Also, large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may increase competition in CDMO industry. (Source: CRISIL Report, May 2022). We compete primarily on the basis of product portfolio (range of existing product portfolio and novelty of new offerings), of supply (quality, regulatory compliance and financial stability), service (on-time delivery and manufacturing flexibility) and cost-effective manufacturing. Competition may, among other things, result in a decrease in the fees paid for our services and reduced demand for outsourced pharmaceutical development and manufacturing services, which could have a material adverse effect on our business, results of operations and financial condition.</i></p>				
		<p><i>Our revenue from exports to our top 10 export destinations as a percentage of our revenue from sale of goods and services outside India on a restated consolidated basis are set forth below for the nine month period ended December 31, 2021.</i></p>				
		<p><i>Export Country (1)</i></p>		<p><i>Nine Months ended December 31, 2021</i></p>		
		<p><i>Kenya</i></p>		<p><i>17.27%</i></p>		
		<p><i>Venezuela</i></p>		<p><i>12.92%</i></p>		
		<p><i>Sri Lanka</i></p>		<p><i>12.73%</i></p>		
		<p><i>Tanzania</i></p>		<p><i>11.66%</i></p>		
		<p><i>Uganda</i></p>		<p><i>9.14%</i></p>		
		<p><i>Ethiopia</i></p>		<p><i>8.79%</i></p>		
		<p><i>Ghana</i></p>		<p><i>8.04%</i></p>		
		<p><i>Nigeria</i></p>		<p><i>5.94%</i></p>		
		<p><i>Myanmar</i></p>		<p><i>5.41%</i></p>		
		<p><i>Republic of the Congo</i></p>		<p><i>1.42%</i></p>		
		<p><i>Total</i></p>		<p><i>93.32%</i></p>		

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		<p>(1) The top ten export countries provided are our top ten export countries in terms of revenue contribution on a restated consolidated basis for the nine months ended December 31, 2021.</p> <p>Our cost of raw materials from our top import countries as a percentage of our cost of imported raw materials on a restated consolidated basis are set forth below for the nine month period ended December 31, 2021.</p> <table border="1" data-bbox="555 507 1758 762"> <thead> <tr> <th>Import Country (1)</th> <th>Nine Months ended December 31, 2021</th> </tr> </thead> <tbody> <tr> <td>China</td> <td>20.29%</td> </tr> <tr> <td>China-SEZ</td> <td>16.63%</td> </tr> <tr> <td>Hong Kong</td> <td>54.88%</td> </tr> <tr> <td>Netherlands</td> <td>8.20%</td> </tr> <tr> <td>Total</td> <td>100.00%</td> </tr> </tbody> </table> <p>(1) The top import countries provided are our top import countries in terms of contribution to our cost of imported raw materials on a restated consolidated basis for the nine months ended December 31, 2021.</p> <p>The following table indicates market size of the global CDMO market and the global CDMO formulation market and our share of the global CDMO formulation market for the periods indicated.</p> <p style="text-align: right;">(in ₹ billion, except percentages)</p> <table border="1" data-bbox="555 986 1758 1232"> <thead> <tr> <th>Particulars</th> <th>Fiscal 2019</th> <th>Fiscal 2020</th> <th>Fiscal 2021</th> </tr> </thead> <tbody> <tr> <td>Market size of Global CDMO market (API+ Formulation)</td> <td>6,874.92</td> <td>7,315.87</td> <td>8,186.63</td> </tr> <tr> <td>Market size of Global CDMO Formulation market</td> <td>1,230.49</td> <td>1,330.32</td> <td>1,525.36</td> </tr> <tr> <td>Revenue from CDMO services for Innova Captab Limited (1)</td> <td>3.95</td> <td>3.91</td> <td>4.05</td> </tr> <tr> <td>Market share of Innova Captab Limited in the global CDMO formulation market</td> <td>0.32%</td> <td>0.29%</td> <td>0.27%</td> </tr> </tbody> </table> <p>(1) Market share arrived at using revenue on a proforma consolidated basis. (Source: CRISIL Report).</p> <p>The following table indicates market size of the Indian CDMO market and the Indian CDMO formulation market and our share of the Indian CDMO formulation market for the periods indicated.</p>	Import Country (1)	Nine Months ended December 31, 2021	China	20.29%	China-SEZ	16.63%	Hong Kong	54.88%	Netherlands	8.20%	Total	100.00%	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	Market size of Global CDMO market (API+ Formulation)	6,874.92	7,315.87	8,186.63	Market size of Global CDMO Formulation market	1,230.49	1,330.32	1,525.36	Revenue from CDMO services for Innova Captab Limited (1)	3.95	3.91	4.05	Market share of Innova Captab Limited in the global CDMO formulation market	0.32%	0.29%	0.27%		
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e)	Risk Factor 7: LM is advised to disclose liabilities on account of product recall in the past.	Complied with and noted for compliance. We undertake to amend Risk Factor 7 in the UDRHP and RHP as follows: <i>"7. Our CDMO agreements impose several contractual obligations upon us. If we are unable to meet these contractual obligations and/or our customers perceive any deficiency in our service we may face legal liabilities and consequent damage to our reputation which may in-turn adversely impact our business, results of operations and financial condition.</i>	39	46																				

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Our CDMO agreements are typically long-term in nature where the tenure of the contract ranges mostly between two to five years, with the option of renewal on mutually agreed terms. Some of these agreements provide that the quality, quantity and specifications for the products shall be approved by the customer and be in accordance with the requirements specified in the relevant agreements. Some agreements also require us to furnish quality assurance and compliance certificates to the customers certifying that the quality of the products is as per the agreed specifications. As per the terms and conditions of the respective agreements, our customers have the right to reject the products in case of, inter alia, manufacturing defects, and discrepancy with respect to prescribed specifications, and we are responsible to replace such products free of any additional cost within a stipulated timeframe along with indemnity to the customer for losses arising from breach of obligations, specification of raw material used and manufacturing defect. In addition, for any changes in the product specifications, analytical methods, batch manufacturing reports or raw material used, some agreements require us to obtain prior consent from our customers. Certain agreements also require us to make best efforts to incorporate suggestions received by the customers with respect to the proposed changes. We are also responsible for the procurement of raw materials, including APIs and excipients, and packaging materials in accordance with the specifications provided by the customer and in certain cases, the third-party vendor should be approved by the customer. Further, certain of our agreements require customers to provide periodic forecasts/ estimates indicating the quantities of the product they intend to purchase; however, certain portions of such forecasts/ estimates are non-binding in nature. We are, in certain of our agreements, required to assure that the product will always have a minimum shelf life ranging between 85% to 90% of the standard shelf life from the date of its manufacture and we remain liable for the quality of our products for the entire duration of the shelf life of the product manufactured by us and for its storage under suitable conditions to ensure merchantability. In cases of recall of the product manufactured by our Company, our CDMO agreements typically require us to bear all the expenses and costs of such recall either upfront or by way of deduction from our bills, and the customers may also opt to terminate the agreement on account of such recall. For instance, in During the period from April 1, 2018 to December 31, 2021, we had four cases of goods returned due to product recalls, and our liabilities on account of such product recalls is estimated at ₹0.05 million. Further, our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, by providing a certain amount of notice. In certain CDMO agreements, our CDMO customers have the right to subject our products to quality control assessments either by their quality control departments or by independent testing authorities. Certain CDMO agreements also allow our customers to opt for terminating the agreement with our Company if there is any change in control or management of our Company. For further information, see “Our Business – Our Business – CDMO services and products” on page 185.</i></p> <p>[...]"</p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
f)	<p>Risk Factor 8: LM is advised to disclose instances of contractual and product liability claims pursuant to inspection by regulatory authorities in the past three years.</p>	<p>Noted for compliance. We undertake to amend Risk Factor 8 in the UDRHP and RHP as follows:</p> <p><i>“8. The pharmaceutical market is subject to extensive regulation and failures to comply with the existing and future regulatory requirements in any pharmaceutical market could adversely affect our business in that market, results of operations and financial condition.</i></p> <p><i>We operate in a highly regulated industry and our operations are subject to extensive regulation governing the pharmaceutical market. The development, testing, manufacturing, marketing and sale of pharmaceutical products are subject to extensive regulation in India and other countries where we export our products. We are required to comply with the regulatory requirements of various local, state, provincial and national regulatory authorities, such as the Drugs Controller General of India, Central Drugs Standard Control Organization, State Dugs Controller, Ministry of Health and Family Welfare, Controlling cum Licensing Authority, and for certain facilities involved in producing products for exports, international regulatory authorities, such as regulatory authorities in the Africa and Asia. We are subject to international and national guidelines and regulations concerning development, testing, manufacturing processes, equipment and facilities, including the WHO GMP as well as the Schedule M of the Drugs and Cosmetic Rules, 1945 (“Schedule M”). Further, as we expand our operations and geographic scope, we may be exposed to more complex and new regulatory and administrative requirements and legal risks, any of which may require expertise in which we have limited experience as well as impose significant compliance costs on us.</i></p> <p><i>These regulatory requirements impact many aspects of our operations, including manufacturing, developing, storage, distribution, import and export and record keeping related to our products. Regulatory agencies may, for instance, delay, limit or deny approval for many reasons, including:</i></p> <ul style="list-style-type: none"> <i>• changes to the regulatory approval process, including new data requirements for product candidates in those jurisdictions in which we or our customers may be seeking approval;</i> <i>• Drug manufacturers constantly have to monitor the efficacy and safety of their products throughout the drug life cycle which involves significant regulatory challenges. Any drug during its life cycle can be recalled for safety reasons by the drug regulators;</i> <i>• resource constraints at the agency resulting in delayed review of submitted information; and</i> <i>• the manufacturing processes, facilities, systems or personnel may not meet the applicable GMP guidelines.</i> 	45	57

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Inspections by regulatory authorities that identify any deficiencies could result in remedial actions, production stoppages or facility closure, which would disrupt the manufacturing process and supply of products to our customers.</i></p> <p><i>In addition, Although there have been no instances of contractual and product liability claims pursuant to inspection by regulatory authorities in Fiscal 2019, Fiscal 2020 or Fiscal 2021 or the nine month period ended December 31, 2021, any such future failure to comply could expose us to contractual and product liability claims, including claims by customers or recall or other corrective actions, the cost of which could be significant.</i></p> <p><i>In addition, we believe applicable regulations have become increasingly stringent and if new legislation or regulations are enacted or existing legislation or regulations are amended or are interpreted or enforced differently, we may be required to obtain additional approvals or operate according to different manufacturing or operating standards. This may require a change in our development and manufacturing techniques or additional capital investments in our facilities. Any related costs may be significant. For example, some of the reforms mentioned in the Draft Pharma Policy, 2017 such as discontinuation of loan licensing (contract manufacturing), regulating marketing practices, banning of brand names, if implemented, will negatively disrupt the domestic pharmaceuticals industry. (Source: CRISIL Report, May 2022). In addition, in September 2018, the Ministry of Health and Family Welfare, GoI, banned over 325 fixed-dose combination drugs, following the recommendations of an expert committee, which found that the combinations lacked “therapeutic justification”. If we fail to comply with applicable regulatory requirements in the future, then we may be subject to warning letters and/or civil or criminal penalties and fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, restrictions on the import and export of our products, debarment, exclusion, disgorgement of profits, operating restrictions and criminal prosecution and the loss of contracts and resulting revenue losses.”</i></p>		
g)	<p>Risk Factor 9: LM is advised to disclose comparable benchmarks (Industry or comparable peers) for R&D expenses.</p>	<p>Noted for compliance. We undertake to amend Risk Factor 9 in the UDRHP and RHP as set forth below. Please note that R&D expenditure for the Company was not available, and the Company is in the process of estimating the same. Once this data is available, it will be furnished to CRISIL Research, and we undertake to update the information provided in Risk Factor 9 below.</p> <p>“9. We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our generic product portfolio expansion in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.</p> <p><i>The pharmaceutical and healthcare industry is characterised by technological advancements, introduction of</i></p>	47	59

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)																																																												
		<p>innovative products, price fluctuations and intense competition. We have invested substantial effort, funds and other resources towards our R&D activities. We have a dedicated R&D laboratory and pilot equipment located at our manufacturing facility at Baddi, Himachal Pradesh. We are increasingly engaged in R&D activities to develop various generic products, manufacturing processes and technologies for diverse therapeutic segments. In particular, our R&D laboratory is focused on developing efficient processes for the manufacture of upcoming patent expired products. While we have made significant investments in R&D activities, there can be no assurance that our expenditure on R&D activities will yield proportionate results of substantial commercial value or that commercially viable products may be developed or launched as a result of such R&D activities.</p> <p>The following table sets forth the R&D expenditure and R&D expenditure as a percentage of total income of Indian CDMO formulation players and Indian domestic formulation players as of Fiscal 2021.</p> <p style="text-align: right;">(in ₹ million, except percentages)</p> <table border="1" data-bbox="551 746 1756 1366"> <thead> <tr> <th>Company Name</th> <th>Total Income</th> <th>R&D expenditure</th> <th>R&D expenditure as a % of total income</th> </tr> </thead> <tbody> <tr> <td colspan="4">Indian CDMO formulation players</td> </tr> <tr> <td>Akums Drug and Pharmaceuticals Ltd.</td> <td>27,438.85</td> <td>280.31</td> <td>1.02%</td> </tr> <tr> <td>Innova Captab Limited (1)</td> <td>6,162.54</td> <td>[●]*</td> <td>[●]*</td> </tr> <tr> <td>Synokem Pharmaceuticals Ltd.</td> <td>5,576.06</td> <td>70.20</td> <td>1.26%</td> </tr> <tr> <td>Windlas Biotech Ltd.</td> <td>4,306.96</td> <td>36.06</td> <td>0.84%</td> </tr> <tr> <td>Theon Pharmaceuticals Ltd.</td> <td>4,005.06</td> <td>9.90</td> <td>0.25%</td> </tr> <tr> <td>Acme Formulations Private Ltd.</td> <td>4,127.53</td> <td>47.98</td> <td>1.16%</td> </tr> <tr> <td colspan="4">Indian domestic formulation players</td> </tr> <tr> <td>Abbott India</td> <td>43,909.20</td> <td>10.80</td> <td>0.02%</td> </tr> <tr> <td>Alembic Pharma</td> <td>54,031.40</td> <td>7,330.00</td> <td>13.57%</td> </tr> <tr> <td>Aurobindo Pharma Ltd.</td> <td>251,554.70</td> <td>15,993.80</td> <td>6.36%</td> </tr> <tr> <td>Biocon Ltd</td> <td>73,603.00</td> <td>5,531.00</td> <td>7.51%</td> </tr> <tr> <td>Cipla Ltd</td> <td>194,255.80</td> <td>8,667.00</td> <td>4.46%</td> </tr> <tr> <td>Dr.Reddy's Laboratories Ltd.</td> <td>193,389.00</td> <td>17,333.00</td> <td>8.96%</td> </tr> </tbody> </table>	Company Name	Total Income	R&D expenditure	R&D expenditure as a % of total income	Indian CDMO formulation players				Akums Drug and Pharmaceuticals Ltd.	27,438.85	280.31	1.02%	Innova Captab Limited (1)	6,162.54	[●]*	[●]*	Synokem Pharmaceuticals Ltd.	5,576.06	70.20	1.26%	Windlas Biotech Ltd.	4,306.96	36.06	0.84%	Theon Pharmaceuticals Ltd.	4,005.06	9.90	0.25%	Acme Formulations Private Ltd.	4,127.53	47.98	1.16%	Indian domestic formulation players				Abbott India	43,909.20	10.80	0.02%	Alembic Pharma	54,031.40	7,330.00	13.57%	Aurobindo Pharma Ltd.	251,554.70	15,993.80	6.36%	Biocon Ltd	73,603.00	5,531.00	7.51%	Cipla Ltd	194,255.80	8,667.00	4.46%	Dr.Reddy's Laboratories Ltd.	193,389.00	17,333.00	8.96%		
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S. No.	Observation	Response			RHP Page Number (clean)	RHP Page Number (redline)	
		<i>GlaxoSmithKline</i>	30,361.84	18.00	0.06%		
		<i>Glenmark Pharmaceuticals Ltd.</i>	109,941.45	13,187.00	11.99%		
		<i>Ipca Labs</i>	54,828.30	1,266.70	2.31%		
		<i>Lupin Ltd#</i>	152,992.50	14,324.20	9.36%		
		<i>Panacea Biotech Ltd.</i>	6,347.82	247.70	3.90%		
		<i>Sun Pharmaceuticals Industries Ltd.</i>	343,336.60	21,443.30	6.25%		
		<i>Torrent Pharmaceuticals Ltd</i>	80,614.80	4,870.00	6.04%		
		<i>Wockhardt Ltd.</i>	28,405.70	2,655.00	9.35%		
		<p><i>(1) R&D expenditure and total income on a proforma consolidated basis.</i></p> <p><i>* R&D expenditure for the Company is not available and the Company is in the process of estimating the same.</i></p> <p><i>Sources: company websites and filings, CRISIL Research (Source: CRISIL Report).</i></p> <p><i>The success of our new generic product offerings will depend on several factors, including our ability to properly anticipate customer needs and preferences; obtain timely regulatory approvals; establish collaborations with suppliers and customers; customize our production capacities, develop and manufacture our products in a timely and cost-effective manner; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs relating to product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing and R&D facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. Additionally, some of our competitors in the CDMO and generic segments may have greater financial, research and technological resources. They may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products. Accordingly, if we do not successfully develop new products or continue our product portfolio expansion in a timely, cost-effective manner that is attractive to our customers, our business, results of operations and financial condition may be adversely affected.</i></p> <p><i>Our future results of operations also depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. Further, as part of our business strategies, we intend to further diversify our product portfolio by entering into new product value chains. In addition, we intend to expand our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure continued product innovation. Innovation continues to be the key determinant for our</i></p>					

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>success. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect."</p>		
h)	<p>Risk Factor 10: LM is advised to disclose complaints received in the past 3 years and its financial implications.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 10 in the UDRHP and RHP as follows:</p> <p>"10. We are subject to strict technical specifications, quality requirements, regular inspections and audits by our CDMO customers including leading Indian pharmaceutical companies. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our business, results of operations and financial condition, including cancellation of existing and future orders which may expose us to warranty claims.</p> <p><i>Our products and manufacturing processes are subject to stringent quality standards and specifications, typically specified by our CDMO customers in their respective agreements. Adherence to quality standards is a critical factor in our production process as any deviations from the required specifications by our Company or failure to comply with the technical specifications of our customers regarding the composition of drugs, may lead to a recall of products or cancellation of the orders placed by our customers. Further, for any change in the product specifications, manufacturing process, manufacturing site, manufacturing method or raw material used, we are required to inform or obtain prior consent from some of our CDMO customers.</i></p> <p><i>During Fiscal 2019, Fiscal 2020 and Fiscal 2021 and during the nine months ended December 31, 2021, we have received certain complaints from our CDMO customers. The nature of these complaints was mainly related to packaging material of the products. There have not been any financial implications related to these complaints. We undertake corrective and preventive actions on these complaints on a regular basis.</i></p> <p><i>While we believe we undertake the necessary measures and engage internal and external experts to ensure that our facilities comply with the applicable standards as imposed by our customers, any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to cancellation of the order, loss of customers, loss of reputation and goodwill of our Company. Additionally, it could expose us to indemnity, warranty claims, monetary liability and/or litigation. Our CDMO customers are typically provided the right to audit our manufacturing facilities, processes or systems, under such agreements, after providing a certain period of notice. While we have not received any adverse observations in the past from our customers pursuant to such audits, there can be</i></p>	39	48

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>no assurance that such audits would not result in any adverse observations in the future or that our customers will necessarily engage us for their outsourcing operations. The audit may involve inspection of, inter alia, our manufacturing facility and equipment, quality control procedures, review of the manufacturing processes and raw materials and packaging. The finished product delivered by us is further subject to laboratory validation by certain customers. This is an extensive and stringent process undertaken by our customers. Occurrence of any event on account of errors and omission could result in damage to our reputation and loss of customers, which could adversely affect our business, operations, our cash flows and financial condition. In the past, we have received certain complaints from our customers for which our Company has undertaken corrective measures on a regular basis as appropriate, and there can be no assurance that we would not receive such complaints in the future as well.</i></p> <p><i>One of our manufacturing facilities is Schedule M compliant. If we fail to comply with applicable quality standards specified by our customers or if the relevant accreditation institute or agency declines to certify our products, or if we are otherwise unable to obtain such quality accreditations in the future, within time or at all, our business, results of operations and financial conditions will be materially and adversely affected. The quality of our products is critical to the success of our business and depends on the effectiveness of our quality assurance system, which, in turn, depends on a number of factors, including the design of our facility, our training program, and the checks and balances implemented at stage of development/ manufacturing and testing processes in line with the current GMP guidelines. While other than incidents in the ordinary course of business, there has not been any failure or deterioration of quality systems in the past, any significant failure or deterioration of our quality system in future could result in defective or substandard products, which, in turn, may result in delays in the delivery of our products and the need to replace defective or substandard products. As a result, our business, results of operations and financial condition could be materially and adversely affected.”</i></p>		
i)	<p>Risk Factor 12: LM is advised to disclose any material impact of changes in environmental, health and safety or labour laws, in past 3 financial years.</p>	<p>Noted for compliance. We undertake to amend Risk Factor 12 in the UDRHP and RHP as follows:</p> <p>“12. Our operations are subject to environmental and workers’ health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environmental and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.</p> <p><i>Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environment (Protection) Act, 1986 and the Environment Protection Rules, 1986 , the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974, the</i></p>	45	57

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, and other rules and regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India (“MoEF”) and various other statutory and regulatory authorities and agencies in India. The pharmaceutical industry is subject to strict regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business in India, see “Key Regulations and Policies” on page 198. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.</i></p> <p><i>Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. 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, and emissions management and other expenditure to comply with applicable environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.</i></p> <p><i>In addition, as a responsible corporate entity, we are continuously endeavouring to comply with Environmental, Social & Governance compliance requirements covering aspects of legal compliance, ethics & business conduct, quality & patient safety, human rights, labour and employment, health safety and well-being of employees, sustainability & environmental responsibility and quality management systems.</i></p> <p><i>We are also subject to the laws and regulations governing employees in areas such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. While there have been no instances where we have failed to comply with regulations that has resulted in a shutdown or other sanctions being imposed on us, we cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety,</i></p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)						
		<p>health and environmental matters, the costs of which may be significant.</p> <p>As a consequence of unanticipated regulatory or other developments, future environmental and regulatory related expenditures may vary substantially from those currently anticipated. <i>Although there has been no material impact on our business, results of operations or financial condition due to changes in environmental, health and safety or labour laws in Fiscal 2019, Fiscal 2020 or Fiscal 2021 or the nine month period ended December 31, 2021, We we cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.</i></p>								
j)	<p>Risk Factor 13: LM is advised to disclose top 10 third party contract research organizations which conduct clinical trials.</p>	<p>Noted for compliance. The Company consulted CRISIL Research, the industry expert, and was able to identify contract research organizations providing clinical trials in the global and Indian market, but CRISIL Research was not able rank these organizations. We undertake to amend Risk Factor 13 in the UDRHP and RHP as follows:</p> <p><i>“13. Any failure of the third parties, on whom we rely for clinical trials, in performing their obligations and complying with regulatory standards could result in a delay in receiving regulatory approval and adversely affect our business, financial condition and results of operations.</i></p> <p><i>We depend on third party qualified contract research organisations to conduct clinical trials and studies of our new products and expect to continue to do so. We rely on such parties for successful execution of our clinical trials and studies, however, we do not control many aspects of their activities.</i></p> <p><i>Set forth below are key pharmaceutical contract research organization providing clinical trial solutions in the global and Indian market as of July 2022.</i></p> <table border="1" data-bbox="555 1206 1740 1351"> <thead> <tr> <th data-bbox="555 1206 1046 1246"><i>Company Name</i></th> <th data-bbox="1046 1206 1740 1246"><i>Key products/services</i></th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="555 1246 1740 1302"><i>Contract research organizations in global market</i></td> </tr> <tr> <td data-bbox="555 1302 1046 1351"><i>IQVIA Holdings Inc.</i></td> <td data-bbox="1046 1302 1740 1351"><i>Technology & analytics solutions, research & development solution, contract sales & medical solutions</i></td> </tr> </tbody> </table>	<i>Company Name</i>	<i>Key products/services</i>	<i>Contract research organizations in global market</i>		<i>IQVIA Holdings Inc.</i>	<i>Technology & analytics solutions, research & development solution, contract sales & medical solutions</i>	46	58
<i>Company Name</i>	<i>Key products/services</i>									
<i>Contract research organizations in global market</i>										
<i>IQVIA Holdings Inc.</i>	<i>Technology & analytics solutions, research & development solution, contract sales & medical solutions</i>									

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Icon PLC</i></p> <hr/> <p><i>Parexel International Corporation</i></p> <hr/> <p><i>Thermo Fisher Scientific Inc.</i></p> <hr/> <p><i>Labcorp</i></p> <hr/> <p><i>Syneos Health</i></p> <hr/> <p>Contract research organizations in Indian market</p> <hr/> <p><i>Syngene International Ltd.</i></p> <hr/> <p><i>Vimta Labs Ltd.</i></p> <hr/> <p><i>Veeda Clinical Research Ltd.</i></p> <hr/> <p><i>Jubilant Biosys Ltd.</i></p> <hr/> <p><i>Aragen Life Sciences Pvt. Ltd.</i></p> <hr/> <p><i>Lambda Therapeutic Research Ltd.</i></p> <hr/> <p><i>Clininvent Research Pvt. Ltd.</i></p> <hr/> <p><i>Siro Clinpharm Private Limited</i></p> <hr/> <p><i>Diagnosearch Life Sciences Pvt.Ltd.</i></p> <hr/> <p><i>Note: The list of players is an indicative list and not an exhaustive list. Sources: company websites and filings, CRISIL Research (Source: CRISIL Report).</i></p> <p><i>These agreements usually continue until completion of the service stipulated in the agreement. Our responsibilities under such agreements include protocol review, supply of investigational products, provision of the study related documents and monitoring the study, amongst others. Third parties may also not complete activities on schedule or may not conduct our studies in accordance with applicable trial, plans and protocols. Nonetheless, we are responsible for confirming that each of our clinical trials is conducted in accordance with its general investigational plan and protocol. While, other than in the ordinary course of business, there have not been any instances where third parties have defaulted or not complied with their obligations, if the third parties fail to carry out their obligations in the future, product development, approval and commercialisation could be delayed or prevented or an enforcement action could be brought against us.</i></p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Our reliance on these third parties does not relieve us of our responsibility to comply with the applicable regulations and standards of the regulatory authorities related to good clinical practices. In particular, these third-parties must comply with regulatory standards and their failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations.”</i></p>		
k)	<p>Risk Factor 14: LM is advised to quantify the impact of reforms in the healthcare industry.</p>	<p>Noted for compliance. The Company has indicated that it is difficult to quantify the impact of reforms in the healthcare industry with any certainty. The Company undertakes to provide further information on how price controls in the pharmaceutical industry work and the number of drugs affected. We undertake to amend Risk Factor 14 in the UDRHP and RHP as follows:</p> <p><i>“14. Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the pricing and demand for our products as well as the consumer demand for the products we manufacture for our customers, which may significantly influence our business, results of operations and financial condition.</i></p> <p><i>The healthcare industry has changed significantly over time, including, amongst others, healthcare reform, adverse changes in government or private funding of healthcare products and services, legislation or regulations governing the privacy of patient information or patient access to care, or the delivery, pricing or reimbursement of pharmaceuticals and healthcare services or mandated benefits. Such changes may cause the healthcare industry participants to reduce the number of our services and products that they purchase from us or the price they are willing to pay for our services and products. Changes in the healthcare industry’s pricing, selling, inventory, distribution or supply policies or practices could also significantly reduce our revenue and profitability. As a result, our success will depend in part on the extent to which government and health administration authorities regulate the maximum retail price of the products manufactured by us and marketed by our customers. The role of third-party private health insurers and other third-party payers is also becoming important in in- patient settings in hospitals. Increasing expenditures for healthcare has been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and governmental entities are seeking ways to reduce or contain healthcare costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, 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</i></p>	44	55

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>price controls can limit the profit our customers can earn from the market and thereby have a follow-on effect in them seeking a lower price manufacturing supplier for that product. Significant changes in price control limits set by regulators can change the profitability both for our customers as well as for us.</p> <p>The Government of India has been taking various steps in order to control the prices of drugs and make it more affordable to consumers. <i>The GoI's new Pharmaceutical Policy, notified in 2012, was put out as the final price notification in May 2013, bringing 348 essential drugs in the National List of Essential Medicines ("NLEM") under price control. (Source: CRISIL Report).</i> Between Fiscal 2014 and Fiscal 2015, the industry saw drug prices being regulated for more than 500 medicines under the Drug Price Control Order ("DPCO"), thereby negatively impacting the industry. Further, the revised National List of Essential Medicines NLEM 2015 added more than 100 new drugs under price control, with many high-value chronic drugs from anti-diabetes and HIV being covered under it. As of November 2016, the National Pharmaceutical Pricing Authority ("NPPA") has notified ceiling prices for 540 drugs. The NLEM 2015 contains about 870 scheduled drug formulations. (Source: CRISIL Report).</p> <p><i>Under GoI's policy, the ceiling price for each drug under control would be fixed as the simple average price of brands having more than 1 per cent market share (by value) in the sales (MAT - Moving Annual Turnover) of that particular molecule. (Source: CRISIL Report). Thus, prices of brands which are higher than this ceiling will need to be lowered. The ceiling prices will be allowed an annual increase as per the Wholesale Price Index. (Source: CRISIL Report). Prices will be recalculated using MAT only once in five years or when the NLEM is updated. Drugs under the NLEM comprised estimated 15-20% of the overall domestic formulation market in Fiscal 2021. (Source: CRISIL Report).</i></p> <p>Therefore, the Government's firm stance on pricing even in future might have a negative impact on the profitability for some pharmaceutical companies, which are selling branded generics at a high premium price. Currently, prices for approximately 900 to 1,000 scheduled formulations have been fixed so far. Due to the drop in realizations of pharmaceutical formulations, margins of contract manufacturing players have reduced as well. Therefore, both companies that market pharmaceutical formulations and CDMOs are equally impacted due to the price ceiling imposed by the Government. If the prices of more of our products or our customers products are administered or determined by the DPCO or NPPA or other similar authorities outside India, it would have an adverse impact on our profitability."</p>		
l)	<p>Risk Factor 22: LM is advised to clearly disclose the attrition rate of employees involved in the R&D. Further provide the percentage of employees involved in the R&D</p>	<p>Noted for compliance. We undertake to amend Risk Factor 22 in the UDRHP and RHP as follows:</p> <p>"22. We are dependent upon the experience and skill of our management team and a number of key managerial personnel as well as on our ability to attract and retain personnel with technical expertise. If we are unable to</p>	50	61

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)																																			
	vis-à-vis the total employees, in past 3 financial years.	<p>attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.</p> <p><i>We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. We believe that the inputs received from our senior management and their experience, along with the expertise, experience and services of our Promoters and Executive Directors are valuable for the development of business and operations and the strategic directions taken by our Company. For further information, see “Our Management” on page 211. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our sales team has also developed relationships with a number of distributors and stockists that would be difficult to replace. Competition for qualified technical personnel and operators as well as sales personnel with established dealer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Competition among pharmaceutical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. During Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the nine months ended December 31, 2021, there has been only one change in KMP.</i></p> <p><i>In addition, we may require a long period of time to hire and train replacement personnel when personnel with technical expertise terminate their employment with us. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining personnel with technical expertise that our business requires. The loss of services of such personnel could have an adverse effect on our business, results of operations, cash flows and financial condition. The below table further provides our attrition rate for the periods indicated</i></p> <table border="1" data-bbox="555 1114 1803 1372"> <thead> <tr> <th rowspan="2">Period</th> <th colspan="5">Attrition Rate (%)</th> </tr> <tr> <th>Un-Skilled</th> <th>Semi-Skilled</th> <th>Skilled</th> <th>Highly Skilled*</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Fiscal 2019</td> <td>71.69%</td> <td>33.07%</td> <td>17.69%</td> <td>10.91%</td> <td>40.44%</td> </tr> <tr> <td>Fiscal 2020</td> <td>99.54%</td> <td>55.28%</td> <td>18.62%</td> <td>14.81%</td> <td>58.46%</td> </tr> <tr> <td>Fiscal 2021</td> <td>47.59%</td> <td>37.69%</td> <td>12.14%</td> <td>8.33%</td> <td>34.21%</td> </tr> <tr> <td>Nine months ended December 31, 2021</td> <td>32.88%</td> <td>25.88%</td> <td>7.60%</td> <td>9.30%</td> <td>23.20%</td> </tr> </tbody> </table>	Period	Attrition Rate (%)					Un-Skilled	Semi-Skilled	Skilled	Highly Skilled*	Total	Fiscal 2019	71.69%	33.07%	17.69%	10.91%	40.44%	Fiscal 2020	99.54%	55.28%	18.62%	14.81%	58.46%	Fiscal 2021	47.59%	37.69%	12.14%	8.33%	34.21%	Nine months ended December 31, 2021	32.88%	25.88%	7.60%	9.30%	23.20%		
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		<p><i>* including assistant manager and above</i></p> <p><i>The above attrition rates reflect the high attrition levels in our business for unskilled employees. While we have been able to recruit unskilled personnel to fill vacancies in the past, if we are unable to recruit the requisite unskilled personnel in the future our business, results of operations and financial condition could be adversely affected.</i></p> <p><i>Our attrition rate for R&D employees and the number of R&D employees as a percentage of total employees for the periods indicated is set forth below.</i></p> <table border="1" data-bbox="551 603 1807 810"> <thead> <tr> <th><i>Period</i></th> <th><i>Attrition Rate % of R&D employees</i></th> <th><i>% of R&D employees of total employees</i></th> </tr> </thead> <tbody> <tr> <td><i>Fiscal 2019</i></td> <td><i>25.00%</i></td> <td><i>2.37%</i></td> </tr> <tr> <td><i>Fiscal 2020</i></td> <td><i>52.94%</i></td> <td><i>2.57%</i></td> </tr> <tr> <td><i>Fiscal 2021</i></td> <td><i>22.22%</i></td> <td><i>2.16%</i></td> </tr> <tr> <td><i>Nine months ended December 31, 2021</i></td> <td><i>7.69%</i></td> <td><i>2.23%</i></td> </tr> </tbody> </table> <p><i>The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted.</i></p> <p><i>As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "Our Management" on page 211."</i></p>	<i>Period</i>	<i>Attrition Rate % of R&D employees</i>	<i>% of R&D employees of total employees</i>	<i>Fiscal 2019</i>	<i>25.00%</i>	<i>2.37%</i>	<i>Fiscal 2020</i>	<i>52.94%</i>	<i>2.57%</i>	<i>Fiscal 2021</i>	<i>22.22%</i>	<i>2.16%</i>	<i>Nine months ended December 31, 2021</i>	<i>7.69%</i>	<i>2.23%</i>		
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m)	<p>Risk Factor 23: LM is advised to disclose the receivables as a percentage of revenues.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 23 in the UDRHP and RHP as follows:</p> <p><i>“23. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.</i></p> <p><i>The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer’s financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.</i></p> <p><i>Our trade receivables on a restated consolidated basis and our trade receivables as a percentage of revenue from operations on a restated consolidated basis for the periods indicated are set forth below.</i></p> <p style="text-align: right;"><i>(in ₹ million, except percentages)</i></p> <table border="1" data-bbox="555 869 1765 1037"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Trade receivables</i></td> <td style="text-align: right;"><i>908.29</i></td> <td style="text-align: right;"><i>867.69</i></td> <td style="text-align: right;"><i>1,385.53</i></td> <td style="text-align: right;"><i>2,006.82</i></td> </tr> <tr> <td><i>Trade receivables as a percentage of revenue from operations</i></td> <td style="text-align: right;"><i>25.53%</i></td> <td style="text-align: right;"><i>23.24%</i></td> <td style="text-align: right;"><i>33.74%</i></td> <td style="text-align: right;"><i>34.36%</i></td> </tr> </tbody> </table> <p><i>Our trade receivables on a proforma consolidated basis and our trade receivables as a percentage of revenue from operations on a proforma consolidated basis for the periods indicated are set forth below.</i></p> <p style="text-align: right;"><i>(in ₹ million, except percentages)</i></p> <table border="1" data-bbox="555 1193 1765 1361"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Trade receivables</i></td> <td style="text-align: right;"><i>1,319.14</i></td> <td style="text-align: right;"><i>1,373.62</i></td> <td style="text-align: right;"><i>1,487.31</i></td> <td style="text-align: right;"><i>2,006.82</i></td> </tr> <tr> <td><i>Trade receivables as a percentage of revenue from operations</i></td> <td style="text-align: right;"><i>26.73%</i></td> <td style="text-align: right;"><i>25.37%</i></td> <td style="text-align: right;"><i>24.23%</i></td> <td style="text-align: right;"><i>31.66%</i></td> </tr> </tbody> </table>	<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Nine Months ended December 31, 2021</i>	<i>Trade receivables</i>	<i>908.29</i>	<i>867.69</i>	<i>1,385.53</i>	<i>2,006.82</i>	<i>Trade receivables as a percentage of revenue from operations</i>	<i>25.53%</i>	<i>23.24%</i>	<i>33.74%</i>	<i>34.36%</i>	<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Nine Months ended December 31, 2021</i>	<i>Trade receivables</i>	<i>1,319.14</i>	<i>1,373.62</i>	<i>1,487.31</i>	<i>2,006.82</i>	<i>Trade receivables as a percentage of revenue from operations</i>	<i>26.73%</i>	<i>25.37%</i>	<i>24.23%</i>	<i>31.66%</i>	51	70
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		<p>In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our trade receivables on a restated consolidated basis were ₹908.29 million, ₹867.69 million, ₹1,385.53 million and ₹2,006.82 million, respectively, and our receivable turnover days on a restated consolidated basis were 93 days, 85 days, 123 days and 94 days, respectively, in the same periods. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, trade receivables on a proforma consolidated basis were ₹1,319.14 million, ₹1,373.62 million, ₹1,487.31 million and ₹2,006.82 million, respectively, and receivable turnover days on a proforma consolidated basis were 98 days, 93 days, 88 days and 87 days, respectively, in the same periods. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.</p> <p>Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, of our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.”</p>		
10. Capital Structure				
a)	LM is advised to ensure that the Company will comply with the lock-in provisions specified in the SEBI ICDR Regulations.	Noted for compliance. As required under Regulation 20 of the SEBI ICDR Regulations, the Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository, and the same has been disclosed on page 107 of the DRHP.	-	-
11. Industry Overview				
a)	It is observed that in the offer document, the issuer has relied upon the data contained in the report prepared by CRISIL Limited at the request of the issuer, however the data has not been provided as on date. LM is advised to maintain consistency in the data periodicity and ensure that	<p>Noted for compliance, to the extent applicable.</p> <p>Please note that the industry and market data set forth in the Draft Red Herring Prospectus has been obtained from the report titled ‘Assessment of Indian pharmaceutical and CDMO market’, dated May 2022, issued by CRISIL Research, a division of CRISIL Limited. CRISIL Research will update their report before the Company files the RHP and industry information will be updated in the RHP as of March 31, 2022 or another recent date to the extent such data is available.</p>	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	the data relied in the report is not older than six months as on the date of filing of offer document with ROC.			
b)	LM is advised to disclose whether the Company, its promoters/directors/KMPs are connected with CRISIL Limited.	Complied with. Based on the confirmation received from CRISIL Research, a division of CRISIL Limited, we have disclosed on page 21 of the DRHP that CRISIL Research is an independent agency and is not related to the Company, Directors, Promoters or Key Managerial Personnel.	21	26
12. Our business				
a)	LM is advised to disclose data of past three years at the relevant places and ensure that at all applicable places, where data points are being compared, the same is disclosed in a tabular format.	<p>Complied with and noted for compliance. The section titled “Our Business” disclosed all comparable data for past three years. We undertake to such disclose data in tabular format to the extent possible. We undertake to amend parts of the section “Our Business” as follows:</p> <p>“Our Business</p> <p>[...]</p> <p>Raw Materials and Procurement</p> <p><i>We purchase APIs and other materials such as, excipients and impurities from third party suppliers domestically. In addition, we purchase certain APIs from third party international suppliers. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our cost of materials consumed on a restated consolidated basis was ₹2,784.93 million, ₹2,886.90 million, ₹3,014.60 million and ₹4,321.31 million, respectively, and represented 84.07%, 85.64%, 82.44% and 83.78%, respectively, of total expenses on a restated consolidated basis in the same periods. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, cost of materials consumed on a proforma consolidated basis was ₹3,686.83 million, ₹3,910.54 million, ₹4,118.11 million and ₹4,315.95 million, respectively, and represented 82.63%, 82.10%, 76.75% and 78.58%, respectively, of total expenses on a proforma consolidated basis in the same periods.</i></p> <p><i>The table set forth below provides on a restated consolidated basis our cost of materials consumed and as a percentage of total expenses for the periods indicated.</i></p>	208, 209, 210	278, 279, 281

S. No.	Observation	Response							RHP Page Number (clean)	RHP Page Number (redline)			
			<i>Fiscal 2019</i>		<i>Fiscal 2020</i>		<i>Fiscal 2021</i>		<i>Nine months ended December 31, 2021</i>				
		<i>Particulars</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>			
		<i>Cost of materials consumed</i>	2,784.93	84.07%	2,886.90	85.64%	3,014.60	82.44%	4,321.31	83.78%			
		<i>The table set forth below provides on a proforma consolidated basis our cost of materials consumed and as a percentage of total expenses for the periods indicated.</i>											
			<i>Fiscal 2019</i>		<i>Fiscal 2020</i>		<i>Fiscal 2021</i>		<i>Nine months ended December 31, 2021</i>				
		<i>Particulars</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>	<i>₹ million</i>	<i>% of total expenses</i>			
		<i>Cost of materials consumed</i>	3,686.83	82.63%	3,910.54	82.10%	4,118.11	76.75%	4,315.95	78.58%			
		[...]											
		Logistics											
		<i>Each of our facilities are equipped with a warehouse, enabling smooth functioning of our operations. We also have five depots in major locations across India.</i>											
		<i>In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our freight charges as per our Restated Consolidated Financial Information were ₹1.08 million, ₹2.70 million, ₹6.27 million and ₹5.75 million, respectively, and represented 0.03%, 0.08%, 0.17% and 0.11%, respectively, of our total expenses as per our Restated Consolidated Financial Information in the same periods. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, freight charges on a proforma consolidated basis were ₹13.23 million, ₹24.33 million, ₹31.98 million and ₹27.34 million, respectively, and represented 0.30%, 0.51%, 0.60% and 0.50%, respectively, of total expenses on a proforma consolidated basis in the same periods.</i>											

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		<p><i>in the nine months ended December 31, 2021, power and fuel expenses on a proforma consolidated basis were ₹54.40 million, ₹67.17 million, ₹67.95 million and ₹58.04 million, and accounted for 1.22%, 1.41%, 1.27% and 1.06%, respectively, of total expenses on a proforma consolidated basis.</i></p> <p><i>The table set forth below provides our power and fuel expenses as per our Restated Consolidated Financial Information and as a percentage of total expenses as per our Restated Consolidated Financial Information for the periods indicated.</i></p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Fiscal 2019</th> <th colspan="2">Fiscal 2020</th> <th colspan="2">Fiscal 2021</th> <th colspan="2">Nine months ended December 31, 2021</th> </tr> <tr> <th>Particulars</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> </tr> </thead> <tbody> <tr> <td>Power and fuel expenses</td> <td>41.75</td> <td>1.26%</td> <td>55.41</td> <td>1.64%</td> <td>54.78</td> <td>1.50%</td> <td>57.43</td> <td>1.11%</td> </tr> </tbody> </table> <p><i>The table set forth below provides on a proforma consolidated basis our power and fuel expenses and as a percentage of total expenses for the periods indicated.</i></p> <table border="1"> <thead> <tr> <th></th> <th colspan="2">Fiscal 2019</th> <th colspan="2">Fiscal 2020</th> <th colspan="2">Fiscal 2021</th> <th colspan="2">Nine months ended December 31, 2021</th> </tr> <tr> <th>Particulars</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> <th>₹ million</th> <th>% of total expenses</th> </tr> </thead> <tbody> <tr> <td>Power and fuel expenses</td> <td>54.40</td> <td>1.22%</td> <td>67.17</td> <td>1.41%</td> <td>67.95</td> <td>1.27%</td> <td>58.04</td> <td>1.06%</td> </tr> </tbody> </table> <p><i>[...]</i></p>		Fiscal 2019		Fiscal 2020		Fiscal 2021		Nine months ended December 31, 2021		Particulars	₹ million	% of total expenses	₹ million	% of total expenses	₹ million	% of total expenses	₹ million	% of total expenses	Power and fuel expenses	41.75	1.26%	55.41	1.64%	54.78	1.50%	57.43	1.11%		Fiscal 2019		Fiscal 2020		Fiscal 2021		Nine months ended December 31, 2021		Particulars	₹ million	% of total expenses	₹ million	% of total expenses	₹ million	% of total expenses	₹ million	% of total expenses	Power and fuel expenses	54.40	1.22%	67.17	1.41%	67.95	1.27%	58.04	1.06%		
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a)	LM is advised that it is categorically disclosed in the DRHP under section "History and Certain Corporate Matters" of the offer document that none of the	Noted for compliance.	227	299																																																						

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	special rights available to the Promoters / Shareholders (except for nominee/nomination rights and information rights) would survive post listing of the Equity Shares of the Company and same shall cease to exist or shall expire / waived off immediately before or on the date shares are allotted to public shareholders in IPO, without requiring any further action.			
b)	LM is advised to make disclosures if special rights for nominee/nomination rights and information rights are available to certain Promoters / Shareholders that would continue post listing and if yes, then details of the same may be clearly disclosed under section "History and Certain Corporate Matters".	Not applicable. None of the Promoters or Shareholders hold any nominee / nomination rights and information rights that will survive post listing of the Equity Shares on the Stock Exchanges.	227	299
c)	Further, LM shall specifically disclose that special rights, post listing shall be subject to approval of the Shareholders by way of a special resolution, in the first general meeting of the Company held post listing of the Equity Shares.	Not applicable. None of the Shareholders hold any special rights that will survive post listing of the Equity Shares on the Stock Exchanges.	227	299

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)																											
d)	LM is advised to ensure that special rights which will continue post listing are not prejudicial or adverse to the interest of the minority / public shareholders.	We confirm that none of the Shareholders hold any special rights that will survive post listing of the Equity Shares on the Stock Exchanges.	227	299																											
14. Our Management																															
(a)	LM is advised to disclose the reasons for resignation of the directors on the board, in the past 3 financial years.	<p>Noted for compliance. We undertake to update the section titled “Our Management – Changes to our Board in the last three years” on page 218 of the DRHP, in the following manner in the UDRHP and RHP:</p> <p><i>“Except as mentioned below, there have been no changes in our Board of Directors in the last three years:</i></p> <table border="1"> <thead> <tr> <th>Name of director</th> <th>Date of appointment / change in designation / cessation</th> <th>Reason</th> </tr> </thead> <tbody> <tr> <td>Chhavi Lohariwala</td> <td>September 27, 2019</td> <td>Appointment as Director</td> </tr> <tr> <td>Jayant Vasudeo Rao</td> <td>February 28, 2020</td> <td>Change in designation from Additional Director to Whole-time Director</td> </tr> <tr> <td>Manoj Kumar Lohariwala</td> <td>March 18, 2022</td> <td>Change in designation from Whole-time Director to Chairman and Whole-time Director</td> </tr> <tr> <td>Vinay Kumar Lohariwala</td> <td>March 18, 2022</td> <td>Change in designation from Whole-time Director to Managing Director</td> </tr> <tr> <td>Chhavi Lohariwala</td> <td>April 1, 2022</td> <td>Cessation as Director <i>due to personal and unavoidable circumstances</i></td> </tr> <tr> <td>Gian Parkash Aggarwal</td> <td>April 1, 2022</td> <td>Cessation as Non- Executive Director <i>due to personal and unavoidable circumstances</i></td> </tr> <tr> <td>Anup Agarwal</td> <td>April 1, 2022</td> <td>Cessation as Non-Executive Independent Director <i>due to personal and unavoidable circumstances</i></td> </tr> <tr> <td>Pradosh Kumar</td> <td>April 1, 2022</td> <td>Cessation as Non-Executive Independent Director <i>due to personal and unavoidable circumstances</i></td> </tr> </tbody> </table>	Name of director	Date of appointment / change in designation / cessation	Reason	Chhavi Lohariwala	September 27, 2019	Appointment as Director	Jayant Vasudeo Rao	February 28, 2020	Change in designation from Additional Director to Whole-time Director	Manoj Kumar Lohariwala	March 18, 2022	Change in designation from Whole-time Director to Chairman and Whole-time Director	Vinay Kumar Lohariwala	March 18, 2022	Change in designation from Whole-time Director to Managing Director	Chhavi Lohariwala	April 1, 2022	Cessation as Director <i>due to personal and unavoidable circumstances</i>	Gian Parkash Aggarwal	April 1, 2022	Cessation as Non- Executive Director <i>due to personal and unavoidable circumstances</i>	Anup Agarwal	April 1, 2022	Cessation as Non-Executive Independent Director <i>due to personal and unavoidable circumstances</i>	Pradosh Kumar	April 1, 2022	Cessation as Non-Executive Independent Director <i>due to personal and unavoidable circumstances</i>	238	310
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		<i>Archit Aggarwal</i>	<i>April 1, 2022</i>	<i>Appointment as Non- Executive Director</i>		
		<i>Sudhir Kumar Bassi</i>	<i>April 1, 2022</i>	<i>Appointment as Non- Executive Independent Director</i>		
		<i>Priyanka Dixit Sibal</i>	<i>April 1, 2022</i>	<i>Appointment as Non- Executive Independent Director</i>		
		<i>Shirish Gundopant Belapure</i>	<i>April 1, 2022</i>	<i>Appointment as Non- Executive Independent Director</i>		
		<i>Mahender Korthiwada</i>	<i>April 1, 2022</i>	<i>Appointment as Non- Executive Independent Director</i>		
Note: This table does not include details of regularisations of additional Directors.”						
15. Financial Information						
(a)	LM is further advised to disclose the reasons for the following in the Management Discussion and Analysis section:					
	i. Increase in Property, plant and equipment, Right of use asset, goodwill as on March 31, 2021 and December 31, 2021;	<p>Noted for compliance. We undertake to amend the section titled “<i>Management’s Discussion and Analysis of Financial Condition and Results of Operations</i>” to include the following:</p> <p>“Restated consolidated assets and liabilities</p> <p>Assets</p> <p>Non-Current assets:</p> <p>Property, plant and equipment</p> <p><i>Our property, plant and equipment increased from ₹763.59 million as at March 31, 2021 to ₹1,544.13 million as at December 31, 2021. The increase in property, plant and equipment is mainly due to ₹34.70 million (net) of additions arising out of acquisition of UML as of December 31, 2021. Further, during the nine months ended December 31, 2021, ₹588.80 million has been added to property, plant and equipment on account of capitalization of assets from capital work in progress and ₹157.04 million of other additions (net) mainly in land, building and plant and equipment.</i></p>			-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>Right-of-use assets</p> <p><i>Our right-of-use assets increased from ₹23.37 million as at March 31, 2021 to ₹92.07 million as at December 31, 2021. The increase in right-of-use assets in property is mainly due to ₹17.46 million towards additions on account of acquisition of UML and further additions (net) of ₹51.24 million in the nine months ending December 31, 2021.</i></p> <p>Capital work-in-progress</p> <p><i>Capital work in progress decreased from ₹72.64 million as at March 31, 2021, to ₹3.21 million as at December 31, 2021, due to a transfer of assets from capital work-in-progress to plant and equipment, building, electrical equipment, lab equipment, furniture and fixtures, computer and printer and office equipment on account of capitalisation during the nine months ending December 31, 2021.</i></p> <p>Goodwill</p> <p><i>Our goodwill increased from NIL as at March 31, 2021 to ₹166.94 million as at December 31, 2021. Our goodwill as at December 31, 2021 is attributable to additions on account of acquisition of UML as a wholly owned subsidiary.</i></p> <p>Other intangible assets</p> <p><i>Our other intangible assets decreased from ₹4.44 million as at March 31, 2021 to ₹3.78 million as at December 31, 2021.</i></p> <p>Financial assets</p> <p><i>Our financial assets decreased from ₹34.95 million as at March 31, 2021 to ₹5.61 million as at December 31, 2021, which was mainly due to a reduction in security deposits by ₹29.97 million as at December 31, 2021 and an increase in bank-deposit accounts by ₹ 0.63 million as at December 31, 2021.</i></p> <p>Income tax assets (net)</p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>Our income tax assets (net) increased from ₹13.32 million as at March 31, 2021 to ₹43.14 million as at December 31, 2021, which was due to an increase in the amount of advance income tax and tax deducted at source (net of provision for income tax).</i></p> <p>Other non-current assets</p> <p><i>Other non-current assets decreased from ₹79.23 million as at March 31, 2021 to ₹15.41 million as at December 31, 2021 mainly due to reduction in capital advances by ₹65.42 million as at December 31, 2021 and an increase in prepaid expenses by ₹1.60 million as at December 31, 2021.</i></p> <p>Current assets:</p> <p>Inventories</p> <p><i>Our inventories increased from ₹914.45 million as at March 31, 2021 to ₹1,447.47 million as at December 31, 2021. Our inventories increased due to an increase in inventory of stock in trade by ₹279.97 million mainly on account of acquisition of UML by ₹277.44 million and other additions of ₹20.53 million, and increases in inventory of raw materials by ₹141.44 million, work in progress by ₹85.71 million, packing material by ₹63.94 million and stores and spares by ₹0.02 million. Correspondingly, finished goods reduced by ₹38.06 million.</i></p> <p>Financial Assets</p> <p><i>Our financial assets increased from ₹1,531.35 million as at March 31, 2021 to ₹2,081.16 million as at December 31, 2021 for the reasons set forth below.</i></p> <ul style="list-style-type: none"> <i>Trade receivables increased from ₹1,385.53 million as at March 31, 2021 to ₹2,006.82 million as at December 31, 2021, mainly due to acquisition of UML as of December 31, 2021. Also, the revenue from operations increased from ₹4,106.62 million in the year ended March 31, 2021 to ₹5,841.21 million in the nine months period ended December 31, 2021.</i> <i>Cash and cash equivalents decreased from ₹47.95 million as at March 31, 2021 to ₹7.69 million as at December 31, 2021. Bank balances other than cash & cash equivalents decreased from ₹70.99 million as at March 31, 2021 to ₹19.90 million as at December 31, 2021. The net decrease in bank balances / cash and cash equivalents as at December 31, 2021 was mainly due to payments made for acquisition of business on</i> 		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p><i>account of slump sale amounting to ₹542.50 million in respect of the Innova Partnership and payments made for acquisition of UML amounting to ₹50.00 million.</i></p> <ul style="list-style-type: none"> • <i>Loans (which primarily constitutes loan to employees) marginally increased from ₹4.65 million as at March 31, 2021 to ₹4.69 million as at December 31, 2021.</i> • <i>Other financial assets increased from ₹22.23 million as at March 31, 2021, to ₹42.06 million as at December 31, 2021. This increase was primarily due to an increase in security deposits by ₹13.02 million as at December 31, 2021, IPO expenses recoverable by ₹3.57 million as at December 31, 2021 and other recoverable by ₹9.46 million as at December 31, 2021, offset by reduction in interest accrued but not due on fixed deposits by ₹6.20 million as at December 31, 2021.</i> <p><i>Other current assets</i></p> <p><i>Other current assets increased from ₹258.82 million as at March 31, 2021 to ₹340.59 million as at December 31, 2021 mainly due to increase as at December 31, 2021 in balance with government authorities by ₹63.13 million, prepaid expenses by ₹9.94 million, right to return asset by ₹9.31 million and advances to employees by ₹1.54 million. Further, advances to suppliers reduced by ₹2.15 million as at December 31, 2021."</i></p>		
	<p>ii. Decrease in capital work-in-progress, other financial assets, other non-current assets as on March 31, 2021 and December 31, 2021;</p>	<p>Noted for compliance. We undertake to amend the section titled "<i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i>" as per our response to observation 15(a)(i) above.</p>	-	-
	<p>iii. Increase in trade receivable, loans, other financial assets, other current assets and decrease in bank balances as on March 31, 2021 and December 31, 2021;</p>	<p>Noted for compliance. We undertake to amend the section titled "<i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i>" as per our response to observation 15(a)(i) above.</p>	-	-
	<p>iv. Increase in borrowings (current as well as non-current) and lease liabilities, provisions, deferred tax liabilities as on</p>	<p>Noted for compliance. We undertake to amend the section titled "<i>Management's Discussion and Analysis of Financial Condition and Results of Operations</i>" to include the following:</p> <p><i>"Restated consolidated assets and liabilities</i></p>	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	<p>March 31, 2021 and December 31, 2021;</p>	<p>[...]</p> <p>Liabilities</p> <p>Non-current liabilities:</p> <p>Financial liabilities</p> <p><i>Our financial liabilities increased from ₹63.53 million as at March 31, 2021 to ₹381.84 million as at December 31, 2021 for the reasons set forth below.</i></p> <ul style="list-style-type: none"> • <i>Our borrowings increased from ₹60.00 million as at March 31, 2021 to ₹374.80 million as at December 31, 2021, due to an increase in term loans as at December 31, 2021.</i> • <i>Our lease liabilities increased from ₹3.53 million as at March 31, 2021, to ₹7.04 million as at December 31, 2021, mainly due to additions on account of the acquisition of UML and other additions during the year.</i> <p>Provisions</p> <p><i>Our provisions increased from ₹12.34 million as at March 31, 2021 to ₹ 22.89 million as at December 31, 2021, due to an increase in provisions for employee benefits.</i></p> <p>Deferred tax liabilities (net)</p> <p><i>Our deferred tax liabilities increased from ₹19.26 million as at March 31, 2021 to ₹45.26 million as at December 31, 2021, mainly due to deferred tax impact of increase in excess depreciation as per Income Tax Act, 1961 over book values.</i></p> <p>Other non-current liabilities</p> <p><i>Our other non-current liabilities decreased from ₹1.29 million as at March 31, 2021 to ₹0.96 million as at December 31, 2021.</i></p> <p>Current liabilities:</p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>Financial liabilities</p> <p><i>Our financial liabilities increased from ₹2,096.08 million as at March 31, 2021 to ₹3,137.39 million as at December 31, 2021 for the reasons set forth below.</i></p> <ul style="list-style-type: none"> <i>• Our current borrowings increased from ₹390.26 million as at March 31, 2021 to ₹1,053.08 million as at December 31, 2021, due to an increase in cash credit limit from banks by ₹297.94 million as at December 31, 2021, an increase in current maturities of term loans by ₹47.00 million as at December 31, 2021 and increase in unsecured borrowings by ₹317.88 million as at December 31, 2021.</i> <i>• Our lease liabilities increased from ₹1.18 million as at March 31, 2021 to ₹3.57 million as at December 31, 2021, mainly due to additions on account of the acquisition of UML and other additions during the year.</i> <i>• Our trade payables increased from ₹ 1,122.33 million as at March 31, 2021 to ₹ 1,416.64 million as at December 31, 2021. This increase was primarily due to an increase in total outstanding dues of creditors other than micro and small enterprises from ₹1,087.51 million as at March 31, 2021 to ₹1,407.58 million as at December 31, 2021, which was primarily on account of acquisition of UML as on December 31, 2021.</i> <i>• Our other financial liabilities increased from ₹582.31 million as at March 31, 2021, to ₹664.10 million as at December 31, 2021, mainly due to an increase in interest accrued but not due on borrowings by ₹5.53 million, employee related payables by ₹20.48 million, capital creditors by ₹20.98 million, security deposits by ₹27.30 million and amount payable on account of acquisition of UML by ₹550.00 million. The increase was offset by reduction in amount payable on acquisition of assets and liabilities of Innova Partnership on account of slump sale by ₹542.50 million.</i> <p><i>Our other financial liabilities increased from ₹33.71 million as at March 31, 2020, to ₹582.31 million as at March 31, 2021, mainly due to increase in liability of amount payable for acquisition of business on account of the slump sale of the Innova Partnership amounting to ₹542.50 million.</i></p> <p>Other current liabilities</p> <p><i>Our other current liabilities increased from ₹50.11 million as at March 31, 2021 to ₹150.82 million as at December 31, 2021, mainly due to an increase in contract liabilities by ₹61.99 million, statutory dues by ₹5.53 million, refund liability by ₹12.09 million and deferred government grant by ₹21.10 million.</i></p>		

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		<p>Provisions</p> <p><i>Our provisions decreased from ₹5.34 million as at March 31, 2021 to ₹3.37 million as at December 31, 2021, mainly due to a reduction in the current portion of the provision for employee benefits.</i></p> <p>Current tax liabilities (net)</p> <p><i>Our current tax liabilities (net) increased from NIL as at March 31, 2021 to ₹45.68 million as at December 31, 2021, mainly due to provision for income tax (net of advance tax)."</i></p>		
	v. Increase in other financial liabilities as on March 31, 2021 and March 31, 2020;	Noted for compliance. We undertake to amend the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" as per our response to observation 15(a)(iv) above.	-	-
	vi. Total outstanding dues	Noted for compliance. We undertake to amend the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" as per our response to observation 15(a)(iv) above.	-	-
	vii. Analysis of various ratios	<p>Complied with and noted for compliance.</p> <p>A detailed analysis of various ratios applicable to the Company's business are disclosed on a restated consolidated basis and proforma consolidated basis in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures" beginning on page 349 of the DRHP.</p>	372	373
(b)	LM is also advised to disclose the auditor qualification, if any, in the offer document and the Issuer's management comments on the same.	<p>Complied with and noted for compliance.</p> <p>As disclosed on page 407 of the DRHP, there have been no reservations or qualifications or adverse remarks of the Statutory Auditors in the nine months ended December 31, 2021, and in Fiscals 2021, 2020 and 2019.</p>	420	454
16. Related Party Transactions (RPTs)				
(a)	LM is advised i. to quantify the RPTs, in brief, that the company has entered into in tabular form; and	<p>Complied with and noted for compliance.</p> <p>A summary of the related party transactions that the Company has entered into, as derived from the Restated Consolidated Financial Information, in the nine months ended December 31, 2021 and in Fiscals 2021, 2020 and 2019,</p>	28	34

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	ii. to disclose the RPTs as a percentage of revenue in the offer document	<p>including the quantification of the related party transactions, has been included in the section titled “<i>Summary of the Offer Document – Summary of related party transactions</i>” on page 29 of the DRHP.</p> <p>Further, we undertake to include the following statement in the section titled “<i>Summary of the Offer Document – Summary of related party transactions</i>” in the UDRHP and RHP, disclosing details of the related party transactions set out in the table described above as a percentage of revenue from operations:</p> <p><i>“The related party transactions covered under our profit and loss account as a percentage of our revenue from operations constituted 32.05%, 29.05%, 27.01% and 20.75% for the nine months ended December 31, 2021, and the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.”</i></p>		
17. Financial Indebtedness				
(a)	LM is advised to disclose the outstanding amount / default in making payment obligation for the last three years.	<p>Noted for compliance to the extent applicable. We undertake to include the following disclosure in the section titled “<i>Financial Indebtedness</i>” in the UDRHP and RHP:</p> <p><i>“As on March 31, 2021, March 31, 2020 and March 31, 2019, our total borrowings as per our Restated Consolidated Financial Information were ₹450.26 million, ₹535.12 million, ₹720.54 million.”</i></p> <p>Further, we confirm that the Company has not defaulted in making payment obligations owed to its lenders in the last three years. A negative confirmation to this effect has been included in the section titled “<i>History and Certain Corporate Matters - Defaults or rescheduling/restructuring of borrowings with financial institutions/banks</i>” on page 206 of the DRHP.</p>	422	457
(b)	LM is advised to disclose: i. Name of the lenders ii. Any restrictive covenants entered into with the lenders iii. Instance of past default iv. Whether all the loans are secured or unsecured v. Whether any approval required from the lenders for the proposed IPO	<p>Complied with and noted for compliance to the extent applicable.</p> <p>(i) We undertake to include the names of the lenders of the Company as on the date of the RHP, in the section “<i>Financial Indebtedness</i>” of the RHP.</p> <p>(ii) An indicative list of the restrictive covenants applicable to the Company and its Subsidiary, UML, under the documentation entered into with their lenders has been included in the section “<i>Financial Indebtedness</i>” on page 410 of the DRHP.</p> <p>(iii) A negative confirmation to this effect has been included in the section titled “<i>History and Certain Corporate Matters - Defaults or rescheduling/restructuring of borrowings with financial institutions/banks</i>” on page 206 of the DRHP.</p> <p>(iv) Details of the total secured and unsecured outstanding borrowings of the Company on a consolidated basis as on May 15, 2022, have been disclosed in the section titled “<i>Financial Indebtedness</i>” on page 410 of the DRHP.</p>	422	457

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
		(v) As disclosed on page 410 of the DRHP, the Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer.		
(c)	LM is advised to disclose if consent from all the lenders, in writing, has been obtained for the proposed IPO.	Complied with. Please see our response to 17(b)(v) above.	422	457
(d)	LM is advised to provide financial statements for the year ended March 31,2022.	Noted for compliance. The restated consolidated financial statements for the year ended March 31, 2022, will be included in the UDRHP and RHP.	260	334
18. Legal and other information				
(a)	LM is advised to provide full details of pending lawsuits against the Company and its subsidiaries and associates, promoters/promoter group, directors and LM is advised to quantify the financial impact of the same, wherever possible.	<p>Complied with and noted for compliance, to the extent applicable.</p> <p>In accordance with the SEBI ICDR Regulations, details of: (i) all outstanding criminal litigation involving the Company, its Subsidiaries, its Directors and its Promoters; (ii) all outstanding actions by regulatory authorities and statutory authorities involving the Company, its Subsidiaries, its Directors and its Promoters; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action; (iv) claims related to direct and indirect taxes involving the Company, its Subsidiaries, its Directors and its Promoters, in a consolidated manner, giving the number of cases and total amount, as well as summary disclosures for those tax proceedings exceeding the materiality threshold as per the materiality policy adopted by the board of directors of the Company on June 19, 2022; and (v) other pending litigation involving the Company, its Subsidiaries, its Directors and its Promoters, as per the materiality policy adopted by the board of directors of the Company on June 19, 2022, have been disclosed in the section “<i>Outstanding Litigation and Other Material Developments</i>” beginning on page 412 of the DRHP.</p> <p>The UDRHP and RHP will be updated with any further developments in such matters and to include further matters that may have been initiated since the date of filing of the DRHP, if any.</p> <p>Further, in terms of the SEBI ICDR Regulations, there is no requirement for the Company to disclose details of any litigation involving associates and members of the Promoter Group. Accordingly, no disclosures for litigation involving associates and members of the Promoter Group or are sought to be made. Further, the Company does not have any associates.</p>	424	460

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
(b)	LM shall update the details of status of litigation with the latest/updated position of litigations against promoter/promoter group entities/company and the companies promoted by the issuer.	<p>Noted for compliance, to the extent applicable.</p> <p>Please note that in terms of the SEBI ICDR Regulations, there is no requirement for the Company to disclose details of any litigation involving members of the Promoter Group or companies promoted by the Company. Accordingly, no disclosures for litigation involving members of the Promoter Group or companies promoted by the Company are sought to be made.</p> <p>With respect to litigation against the Promoters and the Company, please see our response to 18(a) above.</p>	-	-
(c)	LM is advised to confirm that the existing litigations are not so major that the issuer's survival is dependent on the outcome of the pending litigation.	We confirm that the existing litigations involving the Company are not so major that the Company's survival is dependent on the outcome of the pending litigation.	-	-
(d)	LM is advised to ensure the disclosures of all actions taken by statutory and regulatory authorities.	Complied with. Details of all pending actions by regulatory authorities and statutory authorities involving the Company, its Directors and its Promoters, have been disclosed in the section " <i>Outstanding Litigation and Other Material Developments</i> " beginning on page 412 of the DRHP. Further, as on the date of the DRHP, there were no pending actions initiated by statutory or regulatory authorities against the Subsidiaries, as has been disclosed on page 415 of the DRHP. The UDRHP and RHP will be updated with any further developments in such matters and to include further pending regulatory or statutory proceedings that may have been initiated against the Company, Directors, Promoters and Subsidiaries since the date of filing of the DRHP, if any.	424	460
(e)	LM is advised to disclose the current status of outstanding dues to creditors and its impact.	Noted for compliance. In compliance with Clause 12(A)(2) of Part I of Schedule VI of the SEBI ICDR Regulations, details of outstanding dues to creditors of the Company (i.e., its material creditors, MSMEs and other creditors), including amounts due, as disclosed in the section titled " <i>Outstanding Litigation and Material Developments</i> " on pages 419 and 420 of the DRHP will be updated in the UDRHP and RHP.	439	477
19. Miscellaneous				
(a)	Any risk on pricing of the issue / basis of issue price, track record of BRLMs, average cost of acquisition of shares by selling shareholders etc. which is proposed to be included in the issue advertisement may be submitted.	Noted for compliance.	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
(b)	<p>LM is advised to ensure following disclosures in the Issue advertisement for announcement of Price Band and all further advertisements as a box item below the price band:</p> <p>"Risks to Investors:</p> <p><i>a) The [to be disclosed] Merchant Bankers associated with the issue have handled [to be disclosed] public issues in the past three years out of which [to be disclosed] issues closed below the issue price on listing date."</i></p> <p><i>b) Any adverse data/ noting in the basis for issue price should be disclosed. For example:</i></p> <ul style="list-style-type: none"> <i>"The Price/Earnings ratio based on diluted EPS for [latest full financial year] for the issuer at the upper end of the Price band is as high as [to be disclosed] as compared to the average industry peer group PE ratio of [to be disclosed]."</i> <i>"Average cost of acquisition of equity shares for the selling shareholders in IPO is [to be disclosed] and offer price at upper end of the</i> 	Noted for compliance.	-	-

S. No.	Observation	Response	RHP Page Number (clean)	RHP Page Number (redline)
	<p><i>price band is [to be disclosed].”</i></p> <ul style="list-style-type: none"> <i>“Weighted Average Return on Net Worth for [last three full financial years] is [to be disclosed] %.”</i> <p><i>The data on above disclosures shall be updated and disclosed prominently (in the same font size as the price band) in advertisements of Price Band and all further advertisements, website of the company and the stock exchange. Further, any adverse ratio / data in basis for issue price should also be disclosed. LM shall submit the draft advertisement for announcement of Price Band with SEBI before its publication in the newspapers for our comments</i></p>			

SCHEDULE I

Para wise compliance with the Securities and Exchange Board of India (Framework for Rejection of Draft Offer Documents) Order, 2012

S. No.	Rejection Criteria	Response
1.1	Where Capital Structure involves any of the following	
(i)	Existence of circular transactions for building up the capital / net worth of the issuer.	Not applicable
(ii)	Ultimate promoters are unidentifiable.	Not applicable
(iii)	Promoters' contribution not complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 in letter or in spirit.	Not applicable
1.2	Where Object of the Issue	
(i)	Is vague for which a major portion of the issue proceeds are proposed to be utilized.	Not applicable
(ii)	Is repayment of loan or inter corporate deposit or any other borrowing of similar nature, and the issuer is not in a position to disclose the ultimate purpose for which the loan was taken or demonstrate utilization of the same for the disclosed purpose.	Not applicable
(iii)	Is such where the major portion of the issue proceeds is proposed to be utilized for the purpose which does not create any tangible asset for the issuer, such as, expenses towards brand building, advertisement, payment to consultants, etc., and there is not enough justification for creation of such assets in terms of past performance, experience and concrete business plan of the issuer.	Not applicable
(iv)	Is to set up a plant and the issuer has not received crucial clearances / licenses / permissions / approvals from the required competent authority which is necessary for commencement of the activity and because of such non-receipt of clearances / licenses / permissions / approvals, the issue proceeds might not be utilized towards the stated objects of the issue.	Not applicable
(v)	Is such where the time gap between raising the funds and proposed utilization of the same is unreasonably long.	Not applicable
1.3	Where business model of an issuer is	
	Exaggerated, complex or misleading and the investors may not be able to assess the risks associated with such business models.	Not applicable
1.4	Where scrutiny of Financial Statements shows	
(i)	Sudden spurt in the business just before filing the draft offer document and reply to clarifications sought is not satisfactory. This will include spurt in line items such as Income, Debtors/Creditors, intangible assets, etc.	Not applicable
(ii)	Qualified audit reports or the reports where auditors have raised doubts / concerns over the accounting policies. This would also be applicable for the subsidiaries, joint ventures and associate companies of the issuer which significantly contributes to the business of the issuer. This would also be applicable for the entities where the issue proceeds are proposed to be utilized.	Not applicable
(iii)	Change in accounting policy with a view to show enhanced prospects for the issuer in contradiction with accounting norms.	Not applicable
(iv)	Majority of the business is with related parties or where circular transactions with connected / group entities exist with a view to show enhanced prospects of the issuer.	Not applicable
1.5	Where there exists litigation including regulatory action	

S. No.	Rejection Criteria	Response
(i)	Which is so major that the issuer's survival is dependent on the outcome of the pending litigation.	Not applicable
(ii)	Which is wilfully concealed or covered.	Not applicable
1.6	Other General Criteria	
(i)	Failure to provide complete documentation in terms of requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.	Not applicable
(ii)	Non-furnishing of information or delay in furnishing of information or furnishing of incorrect / vague / misleading / incomplete / false / non satisfactory information to the Board.	Not applicable
(iii)	Failure to resolve conflict of interest, whether direct or indirect, between the issuer and Merchant Banker appointed by the issuer to undertake the book building process. Quantification of conflict of interest may not always be possible but it would largely depend upon the Board's assessment on whether such conflict of interest may affect the judgment and ability of the Merchant Banker in conducting due diligence activity of issuer.	Not applicable

SCHEDULE II

Para wise compliance of the Securities and Exchange Board of India (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020

S. No.	Rejection Criteria	Response
A.	Treatment where there is a probable cause for investigation or enquiry or when an investigation or enquiry is in progress against the entities	
1.	Where there is a probable cause for investigation, examination or enquiry against the entities, the observations on the draft offer document filed by the issuer with the Board shall be kept in abeyance for a period of thirty days after such probable cause arises or the date of filing of the draft offer document with the Board, whichever is later.	Not applicable
2.	Where the Board is unable to conclude such investigation, examination or enquiry against the entities due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of thirty days.	Not applicable
3.	Where the Board is unable to conclude such investigation, examination or enquiry against the entities due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such investigation, examination or enquiry is concluded.	Not applicable
B.	Treatment where show cause notice has been issued.	
1.	Where a show cause notice has been issued to the entities in an adjudication proceeding, the Board may process the draft offer document and issue observations and advise the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document.	Not applicable
2.	Where a show cause notice has been issued in respect of proceedings under sub-section (4) of section 11 or section 11B(1), the Board shall keep in abeyance the issuance of observations for a period of ninety days from the date of filing of the draft offer document with the Board.	Not applicable
3.	Where the Board is unable to conclude the proceedings as referred to sub-clause (2) due to the reasons beyond its control or due to the conduct of the parties other than the entities, the observations on the draft offer document shall be kept in abeyance for a further period of forty five days.	Not applicable
4.	Where the Board is unable to conclude the proceedings as referred to sub-clause (2) due to the conduct of the entities, the observations on the draft offer document shall be kept in abeyance till the time such proceedings are concluded.	Not applicable
5.	Where no order is passed within the time period specified in clause (3), the Board may process the draft offer document and issue observations and advise the entities to make necessary disclosures and statements in respect of such proceedings and the possible adverse impact of an order on the entities, in the offer document.	Not applicable
C.	Treatment where recovery proceedings have been initiated or an order for disgorgement or monetary penalty has not been complied with or in case of non-compliance with any direction issued by the Board.	
1.	Where the Board has initiated proceedings for recovery against the entities or when an order for disgorgement or monetary penalty passed against the entities is not complied with or in case of non-compliance with any direction issued by the Board, the observations on the draft offer document filed by the issuer with the Board shall be kept in abeyance till such proceedings are concluded or until the directions are complied with.	Not applicable
D.	Reconsideration of proceedings pursuant to remand by the Securities Appellate Tribunal or court.	
1.	Where proceedings has been remanded by the Securities Appellate Tribunal or a court, the same shall in effect be treated as proceedings covered under this Order,	Not applicable

S. No.	Rejection Criteria	Response
	and the Board may take appropriate action in respect of the draft offer document under the provisions of this general order, subject to any order passed by the Securities Appellate Tribunal or a court, as the case may be, while remanding the matter.	
E.	Issuance of observations when the issuer is restrained by a court from making a public issue or filing of offer document.	
1.	Where the issuer has been restrained by a court or tribunal from making an issue of securities or from issuing offer document to the public, the Board may examine the offer document and issue its observations thereof with a qualification that said observations are issued in accordance with the regulatory powers conferred on the Board and that the public issue or issuance of the offer document to the public by the issuer shall be subject to the orders of such court or tribunal or authority.	Not applicable

Schedule B

Compliance with in-seriatim response to the Additional Observations

S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)
General Clarifications:				
1.	SEBI circular SEBI/HO/CFD/SSEP/CIR/P/2022/14 dated February 04, 2022, inter-alia, specifies that the issuer company/ MBS shall insert a Quick Response (QR) code on the front page of the documents such as front outside cover page, abridged prospectus, price band advertisement, etc. as deemed fit by them. The scan of QR code shall lead to downloading of prospectus, abridged prospectus and price band advertisement as applicable. It is observed that QR provided in DRHP does not provide a direct access to DRHP of the company. LM is advised to re-assess the compliance of the aforesaid clause and submit an undertaking that the particular clause of the circular is duly complied with.	Complied with. The quick response (QR) code provided on the outside cover page of the DRHP leads to a general disclaimer page, and accepting the disclaimer leads to a webpage on the website of the left lead BRLM on which the DRHP, RHP, Prospectus, abridged prospectus, price band advertisement etc. will be available for downloading. Request you to please note that the disclaimer page is important to draw attention to the fact the information contained on the webpage is not intended to be viewed by persons not resident in India.	Cover Page	Cover Page
2.	LM is advised to ensure that at all applicable places, where data points are being compared, the same is disclosed in a tabular format and updated as on March 31, 2022.	Noted for compliance to the extent possible.	-	-

S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)																		
Other Financial Information:																						
3.	LM is advised to provide key ratios in tabular form along with peer comparison for the past 3 years.	The key ratios of the Company, along with peer comparisons, for Fiscal 2021 have been disclosed on page 165 of the DRHP. The table will be updated to reflect the key ratios of the Company, along with peer comparisons, for Fiscal 2022 in the updated draft red herring prospectus (“UDRHP”) and RHP.	177	239																		
Objects of the Offer																						
4.	LM is advised to segregate the amount of fresh issuance being utilized for repayment of loans of the Company in the following format:	<p>Details of the borrowings of the Company as on May 15, 2022, raised 0-12 months prior to the filing of the DRHP and more than 12 months prior to the filing of the DRHP, net of the amounts repaid in those periods, are as set out below:</p> <table border="1"> <thead> <tr> <th><i>Particulars of utilisation</i></th> <th><i>Amount raised 0-12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i></th> <th><i>Amount raised more than 12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i></th> </tr> </thead> <tbody> <tr> <td>Working capital</td> <td>1,006.12</td> <td>357.18</td> </tr> <tr> <td>Expansion of existing plant production capacity</td> <td>-51.94</td> <td>102.61</td> </tr> <tr> <td>Setting up of new block within the existing unit and reimbursement of capital expenditure done through own sources</td> <td>-15.30</td> <td>200.00</td> </tr> <tr> <td>Purchase of land and construction of corporate office and R&D centre</td> <td>70.00</td> <td>-</td> </tr> <tr> <td>Acquisition of capital equipment</td> <td>49.64</td> <td>139.10</td> </tr> </tbody> </table>	<i>Particulars of utilisation</i>	<i>Amount raised 0-12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i>	<i>Amount raised more than 12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i>	Working capital	1,006.12	357.18	Expansion of existing plant production capacity	-51.94	102.61	Setting up of new block within the existing unit and reimbursement of capital expenditure done through own sources	-15.30	200.00	Purchase of land and construction of corporate office and R&D centre	70.00	-	Acquisition of capital equipment	49.64	139.10	-	-
<i>Particulars of utilisation</i>	<i>Amount raised 0-12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i>	<i>Amount raised more than 12 months prior to filing of DRHP (₹ million) net of the amount repaid in this period</i>																				
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S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)									
	<table border="1"> <tr> <td data-bbox="165 316 344 421"><i>expenditure done through own sources</i></td> <td data-bbox="344 316 456 421"></td> <td data-bbox="456 316 568 421"></td> </tr> <tr> <td data-bbox="165 421 344 590"><i>Purchase of land and construction of corporate office and R&D centre</i></td> <td data-bbox="344 421 456 590"></td> <td data-bbox="456 421 568 590"></td> </tr> <tr> <td data-bbox="165 590 344 692"><i>Acquisition of capital equipment</i></td> <td data-bbox="344 590 456 692"></td> <td data-bbox="456 590 568 692"></td> </tr> </table>	<i>expenditure done through own sources</i>			<i>Purchase of land and construction of corporate office and R&D centre</i>			<i>Acquisition of capital equipment</i>					
<i>expenditure done through own sources</i>													
<i>Purchase of land and construction of corporate office and R&D centre</i>													
<i>Acquisition of capital equipment</i>													
5.	LM is advised to include loan sanction date in the table providing details of certain borrowings availed by our Company as on May 15, 2022 at page no. 113.	Noted for compliance. The table providing details of certain borrowings availed by the Company as on May 15, 2022, on page 113 of the DRHP, will be updated in the UDRHP and RHP in the manner set out in Schedule I . We further undertake to update the information in this table to a more recent date in the UDRHP and RHP.	106	142									
Risk Factors:													
6.	LM is advised to include a risk factor that Innova Partnership and UML were owned by promoters and disclose amount paid for such acquisitions.	<p>Noted for compliance. We will add the following risk factor as risk factor 51.</p> <p><i>“51. Our Company acquired the assets and liabilities of the business of the Innova Partnership and acquired UML from sales from our Promoters.</i></p> <p><i>Effective as of March 31, 2021, our Company acquired the assets and liabilities of the business of Innova Partnership as a going concern through a slump sale from persons including our Promoters. The total consideration paid by our Company for the business of Innova Partnership was ₹542.50 million. Effective as of December 31, 2021, our Company acquired UML as a wholly-owned subsidiary from persons including our Promoters for a total purchase consideration of ₹600.00 million. We acquired the assets and liabilities of the Innova Partnership and acquired UML (both acquisitions, the “Acquisition Transactions”) to take advantage of the manufacturing and economic synergies with our Company. For further details, please see “History and Certain Corporate Matters – Details regarding material acquisition or divestment of business or undertakings in the last 10 years” on page 208. However, we may not be able to effectively integrate the businesses that we acquire or we may experience difficulties arising from coordinating and consolidating corporate and administrative functions, including</i></p>	56	77									

S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)
		<i>integration of internal controls and procedures with our ongoing operations. A failure to successfully integrate an acquired business or inability to realize the anticipated benefits of acquisition could adversely affect our results of operations and financial condition”</i>		
7.	LM is advised to disclose a separate risk factor in top 10 that more than 90% of the raw materials are imported from once country (i.e. China)	<p>Noted for compliance. We will add the following risk factor as risk factor 56.</p> <p><i>“56. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, imported raw materials from China, China SEZ and Hong Kong on a restated consolidated basis as a percentage of our cost of imported raw materials were 100.00%, 100.00%, 91.85% and 91.80%, respectively and as a percentage of total raw materials purchases were 3.27%, 7.24%, 8.90% and 13.10%, respectively. Our dependence on China, China SEZ and Hong Kong for our raw material supplies exposes us to political, economic and social conditions in greater China.</i></p> <p><i>In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, imported raw materials from China, China SEZ and Hong Kong on a restated consolidated basis as a percentage of our cost of imported raw materials were 100.00%, 100.00%, 91.85% and 91.80%, respectively, and as a percentage of total raw materials purchases were 3.27%, 7.24%, 8.90% and 13.10%, respectively. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, imported raw materials from China, China SEZ and Hong Kong on a proforma consolidated basis as a percentage of our cost of imported raw materials were 100.00%, 100.00%, 95.86% and 91.80%, respectively, and as a percentage of total raw materials purchases were 2.34%, 10.34%, 13.11% and 13.10%, respectively. Our dependence on China China, China SEZ and Hong Kong for our raw material supplies exposes us to political, economic and social conditions in greater China. Further, our raw material suppliers may be adversely impacted by the economic downturn in their national or regional economies, disruption in their banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty.”</i></p>	41	53
8.	LM is advised to include risk factor 6 as risk factor 2.	Noted for compliance. We will include risk factor 6 as risk factor 2.	67	94
9.	LM is advised to include risk factor 18 in the top 10 risk factors.	Noted for compliance. We will include risk factor 18 in the top 10 risk factors.	49	66
10.	LM is advised to include separate risk factor in top 15 regarding that nearly 15% of revenue is from related parties. LM is also advised to disclose that UML and Azine Healthcare	<p>Noted for compliance. We will include the following risk factor in the top 15 risk factors:</p> <p><i>“15. We derive a significant portion of our revenue from operations on a restated consolidated basis from related party transactions. Azine Healthcare Private Limited and UML (which is now a wholly owned subsidiary</i></p>	44	56

S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)																		
	<p>undertake marketing and sale of finished pharmaceutical products of the Company and revenue from their operations is considered as related party transaction.</p>	<p><i>of the Company) undertake marketing and sale of finished pharmaceutical products of the Company and revenue from their operations are considered as related party transactions.</i></p> <p><i>In the nine months ended December 31, 2021 and Fiscals 2021, 2020 and 2019 our related party transactions as derived from the Restated Consolidated Financials as a percentage of revenue from operations on a restated consolidated basis were 32.05%, 29.05%, 27.01% and 20.75%, respectively. Azine Healthcare Private Limited and UML (which is now a wholly owned subsidiary of the Company) undertake marketing and sale of finished pharmaceutical products of the Company and revenue from their operations are considered as related party transactions. Related party transactions entered into by our Company and Azine Healthcare Private Limited and UML, respectively, in the nine months ended December 31, 2021 and Fiscals 2021, 2020 and 2019 as per Ind AS 24, derived from the Restated Consolidated Financial Information is detailed below.</i></p> <table border="1" data-bbox="591 708 1794 951"> <thead> <tr> <th data-bbox="591 708 887 826"><i>Nature of transaction</i></th> <th data-bbox="887 708 1178 826"><i>Name of the related party</i></th> <th data-bbox="1178 708 1348 826"><i>For the period ended December 31, 2021</i></th> <th data-bbox="1348 708 1498 826"><i>For the year ended March 31, 2021</i></th> <th data-bbox="1498 708 1648 826"><i>For the year ended March 31, 2020</i></th> <th data-bbox="1648 708 1794 826"><i>For the year ended March 31, 2019</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="591 826 887 890"><i>Revenue from operations (net of returns)</i></td> <td data-bbox="887 826 1178 890"><i>Univentis Medicare Limited</i></td> <td data-bbox="1178 826 1348 890"><i>809.07</i></td> <td data-bbox="1348 826 1498 890"><i>674.30</i></td> <td data-bbox="1498 826 1648 890"><i>509.57</i></td> <td data-bbox="1648 826 1794 890"><i>304.87</i></td> </tr> <tr> <td data-bbox="591 890 887 951"><i>Revenue from operations (net of returns)</i></td> <td data-bbox="887 890 1178 951"><i>Azine Healthcare Private Limited</i></td> <td data-bbox="1178 890 1348 951"><i>18.28</i></td> <td data-bbox="1348 890 1498 951"><i>5.84</i></td> <td data-bbox="1498 890 1648 951"><i>2.74</i></td> <td data-bbox="1648 890 1794 951"><i>12.47</i></td> </tr> </tbody> </table>	<i>Nature of transaction</i>	<i>Name of the related party</i>	<i>For the period ended December 31, 2021</i>	<i>For the year ended March 31, 2021</i>	<i>For the year ended March 31, 2020</i>	<i>For the year ended March 31, 2019</i>	<i>Revenue from operations (net of returns)</i>	<i>Univentis Medicare Limited</i>	<i>809.07</i>	<i>674.30</i>	<i>509.57</i>	<i>304.87</i>	<i>Revenue from operations (net of returns)</i>	<i>Azine Healthcare Private Limited</i>	<i>18.28</i>	<i>5.84</i>	<i>2.74</i>	<i>12.47</i>		
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11.	<p>Risk factor 6: LM is advised to disclose market share using revenue on a restated consolidated basis.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 6 in the UDRHP and RHP as set forth below. Amendments also include changes as set forth in our response letter dated August 3, 2022.</p> <p><i>“6. We operate in a market that is highly competitive. We compete to provide outsourced pharmaceutical manufacturing services or CDMO services and products, particularly for formulations, to pharmaceutical companies in India and other jurisdictions. In addition, our branded generic products compete with generic products of other suppliers in India and other jurisdictions.</i></p> <p><i>We compete to provide services to pharmaceutical companies in the CDMO industry. Our competition in the CDMO services and products includes full-service pharmaceutical outsourcing or CDMO companies; contract manufacturers focusing on a limited number of dosage forms; contract manufacturers providing multiple dosage forms; and large pharmaceutical companies offering third-party manufacturing services to fill their excess capacity.</i></p>	34	42																		

S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)																								
		<p>The domestic formulations industry is highly fragmented in terms of both, number of manufacturers and products, with 300 to 400 organised players and approximately 15,000 unorganised players. Contract manufacturing is also characterized by high fragmentation and competition, with large number of organized and unorganized players. As a result, the bargaining power of contract manufacturing players is lowered owing to high competition. (Source: CRISIL Report, May 2022).</p> <p>The following table sets forth the key players across the Indian CDMO industry for the Fiscal 2021.</p> <table border="1" data-bbox="591 576 1785 794"> <thead> <tr> <th>Company Name</th> <th>Date of Incorporation</th> <th>Registered office location</th> </tr> </thead> <tbody> <tr> <td>Acme Formulation Private Limited</td> <td>2004</td> <td>Himachal Pradesh</td> </tr> <tr> <td>Akums Drugs and Parmaceuticals Ltd</td> <td>2004</td> <td>Delhi</td> </tr> <tr> <td>Innova Captab Limited</td> <td>2005</td> <td>Mumbai</td> </tr> <tr> <td>Synokem Pharmaceuticals Limited</td> <td>1983</td> <td>Delhi</td> </tr> <tr> <td>Theon Pharmaceuticals Limited</td> <td>2005</td> <td>Chandigarh</td> </tr> <tr> <td>Tirupati Medicare Ltd</td> <td>2005</td> <td>Delhi</td> </tr> <tr> <td>Windlas Biotech Ltd</td> <td>2001</td> <td>Dehradun</td> </tr> </tbody> </table> <p>Note: The list of competitors is an indicative list and not an exhaustive list. Sources: MCA, company websites and filings, CRISIL Research (Source: CRISIL Report).</p> <p>In addition, in Europe and Asia, there are a large number of privately owned, dedicated outsourcing companies that serve only their local or national markets. Also, large pharmaceutical companies have been seeking to divest portions of their manufacturing capacity, and any such divested businesses may increase competition in CDMO industry. (Source: CRISIL Report, May 2022). We compete primarily on the basis of product portfolio (range of existing product portfolio and novelty of new offerings), of supply (quality, regulatory compliance and financial stability), service (on-time delivery and manufacturing flexibility) and cost-effective manufacturing. Competition may, among other things, result in a decrease in the fees paid for our services and reduced demand for outsourced pharmaceutical development and manufacturing services, which could have a material adverse effect on our business, results of operations and financial condition.</p> <p>Our revenue from exports to our top 10 export destinations as a percentage of our revenue from sale of goods and services outside India on a restated consolidated basis are set forth below for the nine month period ended December 31, 2021.</p>	Company Name	Date of Incorporation	Registered office location	Acme Formulation Private Limited	2004	Himachal Pradesh	Akums Drugs and Parmaceuticals Ltd	2004	Delhi	Innova Captab Limited	2005	Mumbai	Synokem Pharmaceuticals Limited	1983	Delhi	Theon Pharmaceuticals Limited	2005	Chandigarh	Tirupati Medicare Ltd	2005	Delhi	Windlas Biotech Ltd	2001	Dehradun		
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		<p><i>(1) The top ten export countries provided are our top ten export countries in terms of revenue contribution on a restated consolidated basis for the nine months ended December 31, 2021.</i></p> <p><i>Our cost of raw materials from our top import countries as a percentage of our cost of imported raw materials on a restated consolidated basis are set forth below for the nine month period ended December 31, 2021.</i></p> <table border="1"> <thead> <tr> <th><i>Import Country (1)</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>China</i></td> <td><i>20.29%</i></td> </tr> <tr> <td><i>China-SEZ</i></td> <td><i>16.63%</i></td> </tr> <tr> <td><i>Hong Kong</i></td> <td><i>54.88%</i></td> </tr> <tr> <td><i>Netherlands</i></td> <td><i>8.20%</i></td> </tr> <tr> <td>Total</td> <td>100.00%</td> </tr> </tbody> </table>			<i>Import Country (1)</i>	<i>Nine Months ended December 31, 2021</i>	<i>China</i>	<i>20.29%</i>	<i>China-SEZ</i>	<i>16.63%</i>	<i>Hong Kong</i>	<i>54.88%</i>	<i>Netherlands</i>	<i>8.20%</i>	Total	100.00%														
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		<p><i>(1) The top import countries provided are our top import countries in terms of contribution to our cost of imported raw materials on a restated consolidated basis for the nine months ended December 31, 2021.</i></p> <p><i>The following table indicates market size of the global CDMO market and the global CDMO formulation market and our share of the global CDMO formulation market on a restated consolidated basis for the periods indicated.</i></p> <p style="text-align: right;"><i>(in ₹ billion, except percentages)</i></p> <table border="1"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Market size of Global CDMO market (API+ Formulation)</i></td> <td><i>6,874.92</i></td> <td><i>7,315.87</i></td> <td><i>8,186.63</i></td> </tr> </tbody> </table>			<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Market size of Global CDMO market (API+ Formulation)</i>	<i>6,874.92</i>	<i>7,315.87</i>	<i>8,186.63</i>																		
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		<i>Market size of Global CDMO Formulation market</i>	1,230.49	1,330.32	1,525.36	
		<i>Revenue from CDMO services for Innova Captab Limited (1)</i>	3.31	3.43	3.71	
		<i>Market share of Innova Captab Limited in the global CDMO formulation market</i>	0.27%	0.26%	0.24%	
		(1) Market share arrived at using revenue on a restated consolidated basis. (Source: CRISIL Report).				
		<i>The following table indicates market size of the Indian CDMO market and the Indian CDMO formulation market and our share of the Indian CDMO formulation market on a restated consolidated basis for the periods indicated.</i>				
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		Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	
		<i>Market size of Global CDMO market (API+ Formulation) (1)</i>	821.14	898.44	1,014.08	
		<i>Market size of Global CDMO Formulation market</i>	416.03	449.22	512.11	
		<i>Revenue from CDMO services for Innova Captab Limited (2)</i>	3.31	3.43	3.71	
		<i>Market share of Innova Captab Limited in the global CDMO formulation market</i>	0.80%	0.76%	0.72%	
		(1) Include domestic and export operations (2) Market share arrived at using revenue on a restated consolidated basis. (Source: CRISIL Report).				
		<i>The following table indicates market size of the global CDMO market and the global CDMO formulation market and our share of the global CDMO formulation market on a proforma consolidated basis for the periods indicated.</i>				
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		<p><i>Some of our competitors may have substantially greater financial, marketing, technical or other resources than we do. Greater financial, marketing, technical or other resources may allow our competitors to respond to changes in market demand faster with new, alternative or emerging technologies. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected. Changes in the nature or extent of our customer requirements may render our service and product offerings obsolete or non-competitive, which could have a material adverse effect on our business, results of operations and financial condition."</i></p>		
12.	<p>Risk factor 9: LM is advised to include table of attrition rate as given in reply to RF22. Further, LM is advised to explain reason for high attrition. LM is also advised to clarify reason for non-availability of R& D expenditure of the Company and how the company is going to estimate the same.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 9 in the UDRHP and RHP as set forth below. Amendments also include changes as set forth in our response letter dated August 3, 2022. Our R&D expenditure as set forth in our amendments below has been prepared on the basis of expenditure incurred on R&D department under the head of salaries, remuneration, power & electricity, material consumption, clinical trial expenses and product registration and licence fees.</p> <p><i>"9. We are dependent on our R&D activities for our future success. If we do not successfully develop new products or continue our generic product portfolio expansion in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.</i></p> <p><i>The pharmaceutical and healthcare industry is characterised by technological advancements, introduction of innovative products, price fluctuations and intense competition. We have invested substantial effort, funds and other resources towards our R&D activities. We have a dedicated R&D laboratory and pilot equipment located at our manufacturing facility at Baddi, Himachal Pradesh. We are increasingly engaged in R&D activities to develop various generic products, manufacturing processes and technologies for diverse therapeutic segments. In particular, our R&D laboratory is focused on developing efficient processes for the manufacture of upcoming patent expired products. <i>In the nine months ended December 31, 2021 and Fiscal 2021, our R&D expenditure on a restated consolidated basis was ₹38.51 million and ₹21.45 million, respectively.</i> While we have made significant investments in R&D activities, there can be no assurance that our expenditure on R&D activities will yield proportionate results of substantial commercial value or that commercially viable products may be developed or launched as a result of such R&D activities.</i></p> <p><i>The following table sets forth the R&D expenditure and R&D expenditure as a percentage of total income of Indian CDMO formulation players and Indian domestic formulation players as of Fiscal 2021:</i></p>	47	59

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		<p><i>The success of our new generic product offerings will depend on several factors, including our ability to properly anticipate customer needs and preferences; obtain timely regulatory approvals; establish collaborations with suppliers and customers; customize our production capacities, develop and manufacture our products in a timely and cost-effective manner; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs relating to product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing and R&D facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. Additionally, some of our competitors in the CDMO and generic segments may have greater financial, research and technological resources. They may also be in a better position to identify market trends, adapt to changes in industry and offer innovative new products. Accordingly, if we do not successfully develop new products or continue our product portfolio expansion in a timely, cost-effective manner that is attractive to our customers, our business, results of operations and financial condition may be adversely affected.</i></p> <p><i>Our future results of operations also depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. Further, as part of our business strategies, we intend to further diversify our product portfolio by entering into new product value chains. In addition, we intend to expand our capacities in existing products as well as expanding and strengthening our research capabilities in order to ensure continued product innovation. Innovation continues to be the key determinant for our success. The development and commercialisation of new products (whether ours or our customers' products) are complex, time-consuming, costly and involves a high degree of business risk. We may be unable to successfully create these new products or encounter unexpected delays in the launch of these products and even if launched as planned, such products may not perform as we expect.</i></p> <p><i>Our attrition rate for R&D employees and the number of R&D employees as a percentage of total employees for the periods indicated is set forth below.</i></p> <table border="1" data-bbox="591 1198 1800 1350"> <thead> <tr> <th data-bbox="591 1198 994 1257">Period</th> <th data-bbox="994 1198 1397 1257">Attrition Rate % of R&D employees</th> <th data-bbox="1397 1198 1800 1257">% of R&D employees of total employees</th> </tr> </thead> <tbody> <tr> <td data-bbox="591 1257 994 1289"><i>Fiscal 2019</i></td> <td data-bbox="994 1257 1397 1289"><i>25.00%</i></td> <td data-bbox="1397 1257 1800 1289"><i>2.37%</i></td> </tr> <tr> <td data-bbox="591 1289 994 1321"><i>Fiscal 2020</i></td> <td data-bbox="994 1289 1397 1321"><i>52.94%</i></td> <td data-bbox="1397 1289 1800 1321"><i>2.57%</i></td> </tr> <tr> <td data-bbox="591 1321 994 1350"><i>Fiscal 2021</i></td> <td data-bbox="994 1321 1397 1350"><i>22.22%</i></td> <td data-bbox="1397 1321 1800 1350"><i>2.16%</i></td> </tr> </tbody> </table>	Period	Attrition Rate % of R&D employees	% of R&D employees of total employees	<i>Fiscal 2019</i>	<i>25.00%</i>	<i>2.37%</i>	<i>Fiscal 2020</i>	<i>52.94%</i>	<i>2.57%</i>	<i>Fiscal 2021</i>	<i>22.22%</i>	<i>2.16%</i>		
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		<p><i>Nine months ended December 31, 2021</i></p>	<p><i>7.69%</i></p>	<p><i>2.23%</i></p>		
		<p><i>Our R&D department's average strength is around 20 employees and due to a relatively lower base, attrition percentage rate reflects a higher number even in case of normal attrition of 4-5 employees a year. The attrition during the Fiscal 2019 was due to attrition of employees at the unskilled and semi-skilled level. During Fiscal 2020, our entire senior staff of then R&D department left our company and started their own R&D Centre. This also led to high attrition in the entire R&D department during Fiscal 2021."</i></p>				
13.	<p>Risk factor 13: LM is advised to disclose top research organizations with whom the issuer has agreement.</p>	<p>Noted for compliance. The Company has third party clinical trial agreements with (1) AnaCipher Clinical Research Organisation; (2) ICBio Clinical Research Pvt. Ltd.; and (3) Synergen Bio Pvt. Ltd. The Company, however, does not have consent to disclose the name of these companies in the RHP so no additional amendment to Risk Factor 13 is proposed.</p>			-	-
14.	<p>Risk factor 20: LM is advised to disclose progress of the upcoming facility in Jammu and to also include the updates in the section on major events and milestones of the Company.</p>	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 20 in the UDRHP and RHP as set forth below.</p> <p><i>"20. Our proposed capacity expansion plans relating to our manufacturing facilities are subject to the risk of unanticipated delays in implementation and cost overruns."</i></p> <p><i>We have made and intend to continue making investments to expand the capacity of our manufacturing facilities to aid our growth efforts. We intend to construct a new 240,916 sq. ft facility in Jammu ("Jammu Facility"), which may be utilized for manufacturing tablets, capsules, dry syrups and injections. The estimated total project cost for this new Jammu Facility is ₹3,551.72 million, as certified by Ravinder K. Sharma & Co. Chartered Accountants.</i></p> <p><i>Construction of our new Jammu Facility will be subject to the potential problems and uncertainties that construction projects face including cost overruns or delays. Problems that could adversely affect our expansion plans include increased costs of equipment or manpower, inadequate performance of the equipment and machinery installed in our manufacturing facilities, delays in completion, defects in design or construction, the possibility of unanticipated future regulatory restrictions, labour shortages, incremental pre-operating expenses, unforeseen taxes and duties, interest and finance charges, environment and ecology costs and other external factors which may not be within the control of our management.</i></p> <p><i>Further, expansion of manufacturing facilities requires governmental, statutory and other regulatory approvals, licenses, permits and registrations to be obtained from various authorities and we cannot assure you that we will</i></p>			49	67

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		<p><i>be able to obtain or renew such approvals, licenses, permits and registrations in a timely manner, or at all. If we fail to obtain or renew such licenses, approvals, registrations and permits in a timely manner, our commissioning date for the expansion plans may be delayed, which could adversely affect our business and results of operations.</i></p> <p><i>There can be no assurance that the proposed capacity additions and expansions will be completed as planned or on schedule, and if they are not completed in a timely manner, or at all, our budgeted costs may be insufficient to meet our proposed capital expenditure requirements. If our actual capital expenditures significantly exceed our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned expansion and additions in accordance with our proposed plans and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.</i></p> <p><i>Construction and operation of our new Jammu Facility will require us to obtain various approvals, which are routine in nature. There can be no assurance that we will be able to obtain these registrations and approvals in a timely manner or at all.</i></p> <p><i>As on August 31, 2021, we have made the following progress on construction of our new Jammu Facility:</i></p> <ul style="list-style-type: none"> <i>• Land has been acquired and possession taken;</i> <i>• Orders for plant & machinery are ongoing;</i> <i>• Construction contracts are being finalized;</i> <i>• Term loan for the Jammu Facility has been sanctioned;</i> <i>• Acknowledgment of our intent to establish a manufacturing enterprise has been received from the office of the General Manager of District Industries Centre ; and</i> <i>• Application has been made for Consent to Establish with the Pollution Control Committee.”</i> 		
15.	Risk Factor 23: LM is advised to clarify reason for y-o-y increase in trade receivables.	<p>Complied with and noted for compliance. We undertake to amend Risk Factor 23 in the UDRHP and RHP as set forth below. Amendments also include changes as set forth in our response letter dated August 3, 2022.</p> <p><i>“23. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.</i></p>	51	70

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		<p>The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 30 to 90 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit, we extend to what we believe is reasonable based on an evaluation of each customer's financial condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate.</p> <p><i>Our trade receivables on a restated consolidated basis and our trade receivables as a percentage of revenue from operations on a restated consolidated basis for the periods indicated are set forth below.</i></p> <p style="text-align: right;"><i>(in ₹ million, except percentages)</i></p> <table border="1" data-bbox="591 703 1800 874"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Trade receivables</i></td> <td style="text-align: right;"><i>908.29</i></td> <td style="text-align: right;"><i>867.69</i></td> <td style="text-align: right;"><i>1,385.53</i></td> <td style="text-align: right;"><i>2,006.82</i></td> </tr> <tr> <td><i>Trade receivables as a percentage of revenue from operations</i></td> <td style="text-align: right;"><i>25.53%</i></td> <td style="text-align: right;"><i>23.24</i></td> <td style="text-align: right;"><i>33.74%</i></td> <td style="text-align: right;"><i>34.36%</i></td> </tr> </tbody> </table> <p><i>Our trade receivables on a proforma consolidated basis and our trade receivables as a percentage of revenue from operations on a proforma consolidated basis for the periods indicated are set forth below.</i></p> <p style="text-align: right;"><i>(in ₹ million, except percentages)</i></p> <table border="1" data-bbox="591 1031 1800 1222"> <thead> <tr> <th><i>Particulars</i></th> <th><i>Fiscal 2019</i></th> <th><i>Fiscal 2020</i></th> <th><i>Fiscal 2021</i></th> <th><i>Nine Months ended December 31, 2021</i></th> </tr> </thead> <tbody> <tr> <td><i>Trade receivables</i></td> <td style="text-align: right;"><i>1,319.14</i></td> <td style="text-align: right;"><i>1,373.62</i></td> <td style="text-align: right;"><i>1,487.31</i></td> <td style="text-align: right;"><i>2,006.82</i></td> </tr> <tr> <td><i>Trade receivables as a percentage of revenue from operations</i></td> <td style="text-align: right;"><i>26.73%</i></td> <td style="text-align: right;"><i>25.37%</i></td> <td style="text-align: right;"><i>24.23%</i></td> <td style="text-align: right;"><i>31.66%</i></td> </tr> </tbody> </table> <p><i>On a restated consolidated basis, trade receivables slightly reduced from ₹908.29 million as at March 31, 2019 to ₹867.69 million as at March 31, 2020. Trade receivables as a percentage of revenue from operations on a restated consolidated basis also reduced from 25.53% for Fiscal 2019 to 23.24% in Fiscal 2020.</i></p>	<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Nine Months ended December 31, 2021</i>	<i>Trade receivables</i>	<i>908.29</i>	<i>867.69</i>	<i>1,385.53</i>	<i>2,006.82</i>	<i>Trade receivables as a percentage of revenue from operations</i>	<i>25.53%</i>	<i>23.24</i>	<i>33.74%</i>	<i>34.36%</i>	<i>Particulars</i>	<i>Fiscal 2019</i>	<i>Fiscal 2020</i>	<i>Fiscal 2021</i>	<i>Nine Months ended December 31, 2021</i>	<i>Trade receivables</i>	<i>1,319.14</i>	<i>1,373.62</i>	<i>1,487.31</i>	<i>2,006.82</i>	<i>Trade receivables as a percentage of revenue from operations</i>	<i>26.73%</i>	<i>25.37%</i>	<i>24.23%</i>	<i>31.66%</i>		
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S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)
		<p><i>Trade receivables increased from ₹867.69 million as at March 31, 2020 to ₹1,385.53 million as at March 31, 2021 on a restated consolidated basis, mainly due to acquisition of assets and liabilities of Innova Partnership on account of slump sale effective as of March 31, 2021. Also, the revenue from operations increased from ₹4,106.62 million for Fiscal 2021 to ₹5,841.21 million on a restated consolidated basis for the nine months ended December 31, 2021. Trade receivables as a percentage of revenue from operations on a restated consolidated basis increased from 23.24% for Fiscal 2020 to 33.74% for Fiscal 2021 mainly due to the reason that because Innova Partnership assets and liabilities were acquired on March 31, 2021, the trade receivables include Innova Partnership's trade receivables but the revenue from operations for the Fiscal 2021 does not include Innova Partnership's revenue from operations for the Fiscal 2021.</i></p> <p><i>Trade receivables on a restated consolidated basis increased from ₹1,385.53 million as at March 31, 2021 to ₹2,006.82 million as at December 31, 2021, mainly due to acquisition of UML as of December 31, 2021. Trade receivables on a restated consolidated basis as a percentage of revenue from operations increased from 33.74% for Fiscal 2021 to 34.36% for the nine months ended December 31, 2021 mainly due to the reason that because UML was acquired on December 31, 2021, the trade receivables include UML's trade receivables but the revenue from operations for the nine months ended December 31, 2021 does not include UML's revenue from operations for the nine months ended December 31, 2021.</i></p> <p><i>Trade receivables on a proforma consolidated basis marginally increased from ₹1,319.14 million as at March 31, 2019 to ₹1,373.62 million as at March 31, 2020 and to ₹1,487.31 million as at March 31, 2021. However, trade receivables as a percentage of revenue from operations on a proforma consolidated basis reduced from 26.73% for Fiscal 2019 to 25.37% for Fiscal 2020 and to 24.23% for Fiscal 2021.</i></p> <p><i>Trade receivables on a proforma consolidated basis increased from ₹1,487.31 million as at March 31, 2021 to ₹2,006.82 million as at December 31, 2021 mainly due to increase in revenue from operations on a proforma consolidated basis from ₹6,138.39 million for Fiscal 2021 (12 months) to ₹6,337.96 million (9 months). Also, receivable turnover days on a proforma consolidated basis were 88 days and 87 days respectively for the same periods. Trade receivables as a percentage of revenue from operations on a proforma consolidated basis increased from 24.23% for Fiscal 2021 to 31.66% for the nine months ended December 31, 2021 due to the reason that the calculation of trade receivables as a percentage of revenue from operations for the nine months ended December 31, 2021 has not been annualized.</i></p>		



S. No.	Observation	Response	RHP Page Number (Clean)	RHP Page Number (Redline)
		<p><i>In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, our receivable turnover days on a restated consolidated basis were 93 days, 85 days, 123 days and 94 days, respectively, in the same periods. In Fiscal 2019, Fiscal 2020 and Fiscal 2021 and in the nine months ended December 31, 2021, receivable turnover days on a proforma consolidated basis were 98 days, 93 days, 88 days and 87 days, respectively, in the same periods. Any increase in our receivable turnover days will negatively affect our business. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.</i></p> <p><i>Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, of our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. An increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.”</i></p>		

Schedule I

Name of the lender***	Nature of borrowing	Date of original sanction letter	Sanctioned amount (in ₹ million)	Outstanding amount as at May 15, 2022 (in ₹ million)	Repayment date / schedule	Interest rate (p.a.) as at May 15, 2022	Purpose of raising the loan	Pre-payment penalty, if any
State Bank of India	Cash credit / export packaging credit*	July 14, 2021	550.00	536.70	Repayable on demand.	7.15% (3 month MCLR plus 0.30%)	For working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
	Term loan	August 9, 2016	300.00	44.00	Maximum tenure of 84 months.	7.15% (MCLR 3 month plus 0.40%)	For expansion of existing plant production capacity.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
Yes Bank Limited	Cash credit / working capital demand loan / export packaging credit**	April 29, 2022	800.00	632.76	Maximum tenure of 12 months.	7.35% (1 month MCLR plus 0.05 %)	For working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
	Term loan	August 11, 2016	250.00	3.40	Maximum tenure of 72 months (including a moratorium period of 12 months) from the date of the first disbursement.	7.50% (3 month MCLR plus 0.50%)	For expansion of existing plant production capacity.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
		August 11, 2016		3.27	Maximum tenure of 72 months (including a moratorium period of 12 months) from the date of the first disbursement.	7.50% (3 month MCLR plus 0.50%)		Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
	Term loan	February 9, 2021	200.00	184.70	Maximum tenure of 84 months.	7.50% (3 month MCLR plus 0.05%)	For setting up of new block within the existing unit, and for reimbursement to be done for the capital expenditure already done through own sources.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
	Term loan	September 4, 2021	120.00	70.00	Principal amount to be repaid in 78 equal instalments, after an 18 month moratorium.	7.40% (1 month MCLR plus 0.010%)	For purchase of land and construction of corporate office and R&D center and for reimbursement which is to be done for the capex already done through own sources.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.



Name of the lender***	Nature of borrowing	Date of original sanction letter	Sanctioned amount (in ₹ million)	Outstanding amount as at May 15, 2022 (in ₹ million)	Repayment date / schedule	Interest rate (p.a.) as at May 15, 2022	Purpose of raising the loan	Pre-payment penalty, if any
The Hong Kong and Shanghai Banking Corporation	Cash credit	August 19, 2020	100.00	83.77	Repayable on demand.	6.30%	To finance working capital requirements.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
	Term loan	March 19, 2021	200.00	130.18	84 months (including a moratorium of 6 months).	6.50%	Acquisition of capital equipment.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.
		March 19, 2021		58.56	84 months (including a moratorium of 6 months).	6.50%	Acquisition of capital equipment.	Nil, in case of prepayment from own sources / 2.00%, in case of takeover of limits by other banks or financial institutions.

* Export packaging credit limit amounting to ₹100.00 million is within overall fund based working capital of ₹550.00 million.

** Working capital demand loan and export packaging credit amounting to ₹750.00 million and ₹300.00 million respectively are within overall cash credit limit of ₹750.00 million.

*** Additionally, our Company may avail additional loan facilities or draw down existing facilities from time to time to meet our business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/ prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon), any additional facilities obtained by our Company or working capital facilities outstanding at the time of utilisation of Net Proceeds.

Note: In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations which requires a certificate from the statutory auditor certifying the utilization of loan for the purposes availed, our Company has obtained the requisite certificate dated June 27, 2022, from our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, wherein the Statutory Auditors have certified that nothing has come to their attention that causes them to believe that the loans that are proposed to be repaid or pre-paid out of Net Proceeds have not been utilized for the purposes for which these were availed.