ENCUBE ETHICALS LIMITED

Corporate Identity Number: U24230MH1995PLC092485

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
803, B Wing, HDIL Kaledonia, Sahar Road, Andheri East, Mumbai City, Mumbai 400 069, Maharashtra, India	Parineeta S Poonja *(Company Secretary and Compliance Officer)*	**Email:** compliance.cs@encubeethicals.com **Tel:** +91 22 62288000	www.encubeethicals.com

THE PROMOTER OF OUR COMPANY IS MEHUL MADHUSUDAN SHAH

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATIONS
Offer for Sale	Not applicable	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹ 30,000 million	Up to [●] Equity Shares of face value ₹1 each aggregating up to ₹30,000 million	The Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For further details, see "*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*" on page 418 of the Draft Red Herring Prospectus. For details in relation to share reservation among Qualified Institutional Bidders ("**QIBs**"), Non-Institutional Bidders ("**NIBs**"), Retail Individual Bidders ("**RIBs**") and Eligible Employees (*defined hereinafter*), see "*Offer Structure*" beginning on page 442 of the Draft Red Herring Prospectus.

DETAILS OF THE OFFER FOR SALE

NAMES OF THE SELLING SHAREHOLDERS	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH (IN ₹)*
Mehul Madhusudan Shah	Promoter Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹20,000 million	0.08
Frontier Investment Holdings Pte. Ltd.	Investor Selling Shareholder	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹10,000 million	199.31

**As certified by Manian & Rao, Chartered Accountants (FRN: 001983S), by way of their certificate dated August 1, 2026.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public offer of our Company, there has been no formal market for the Equity Shares of our Company. The face value of each Equity Share is ₹1. The Floor Price, Cap Price and Offer Price as determined by our Company in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" beginning on page 126 of the Draft Red Herring Prospectus should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/ or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" beginning on page 21 of the Draft Red Herring Prospectus.

ABSOLUTE RESPONSIBILITY OF OUR COMPANY AND SELLING SHAREHOLDERS

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes the Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only such statements specifically made or confirmed by such Selling Shareholder, in the Draft Red Herring Prospectus, in relation to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares under the Offer for Sale and assumes responsibility and confirms that such statements are true and correct in all material respects and are not misleading in any material respect. None of the Selling Shareholders assume any responsibility for any other statement, disclosure or undertaking in the Draft Red Herring Prospectus, including but not limited to any of the statements, disclosures or undertakings made by or relating to our Company or our Company's business or any other person(s) or the other Selling Shareholder.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAME AND LOGO OF THE BRLM		CONTACT PERSON	TELEPHONE AND E-MAIL
	JM Financial Limited	Prachee Dhuri	**Telephone:** +91 22 6630 3030 **E-mail**: encube.ipo@jmfl.com
	Axis Capital Limited	Devika Kanani/ Pavan Naik	**Telephone:** +91 22 4325 2183 **E-mail:** encube.ipo@axiscap.in
	Kotak Mahindra Capital Company Limited	Ganesh Rane	**Telephone:** +91 22 4336 0000 **E-mail:** encube.ipo@kotak.com

REGISTRAR TO THE OFFER

NAME AND LOGO OF THE REGISTRAR	CONTACT PERSON	TELEPHONE AND E-MAIL
MUFG Intime India Private Limited (*Formerly Link Intime India Private Limited*)	Shanti Gopalkrishnan	**Telephone**: +91 810 811 4949 **E-mail**: encubeethicals.ipo@in.mpms.mufg.com

BID/ OFFER PROGRAMME

ANCHOR INVESTOR BID/ OFFER OPENS AND CLOSES ON(1)	[●]	BID/ OFFER OPENS ON	[●]	BID/ OFFER CLOSES ON(2)(3)	[●]

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Offer Period shall be one Working Day prior to the Bid/ Offer Opening Date.*

(2) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date, in accordance with the SEBI ICDR Regulations.*

(3) *The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/ Offer Closing Date.*

IN THE NATURE OF DRAFT ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE DRAFT RED HERRING PROSPECTUS

Please scan this QR code to view the Draft Red Herring Prospectus and this Draft Abridged Prospectus

The following is a general summary of certain disclosures in the Draft Red Herring Prospectus and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in the Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information appearing elsewhere in the Draft Red Herring Prospectus, which is available at the websites of SEBI at www.sebi.gov.in, National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com, respectively, the Company at www.encubeethicals.com and the BRLMs at www.jmfl.com, www.axiscapital.co.in and https://investmentbank.kotak.com.

References below to page numbers are to page numbers of the Draft Red Herring Prospectus dated August 1, 2026. Unless otherwise specified all capitalised terms used herein and not specifically defined bear the same meaning as ascribed to them in the Draft Red Herring Prospectus.

1. Summary of the primary business

We are a global pharmaceutical formulations platform with deep domain expertise in technically complex topical and transdermal dosage forms, serving 50 countries including regulated markets such as the United States, UK and Europe, and India as of March 31, 2026.

Business overview – products and services

We operate through three business verticals: our global generics business ("**Global Generics**"), global contract development and manufacturing organization business ("**Global CDMO**") and our India branded formulations business ("**India Branded Formulations**"), each serving different end markets and customer segments supported by a unified platform of R&D, manufacturing infrastructure, quality management systems and supply chain. Within Global Generics, we cumulatively commercialized 51 ANDAs and had a pipeline of 43 ANDAs in the United States and 25 dossiers in the UK and Germany across topicals, topical hormones and transdermal patches as of March 31, 2026. Further, within Global CDMO, as of March 31, 2026, we provided services to over 160 pharmaceutical companies across 50 countries, with a portfolio of over 550 stock keeping units primarily focused on regulated markets. Within India Branded Formulations, we operate our consumer healthcare (CHC) franchise through the "Soframycin" brand and we have undertaken multiple brand revitalization initiatives including the launch of line extensions (such as powders and sprays).

Industries served and typical customers

Within Global Generics, our customers include wholesalers as well as group purchasing organizations ("**GPO**"), national pharmacy chains, regional pharmacy chains and managed care organizations. In addition to GPOs, we engage with several national and regional retail pharmacy chains, regional distributors or hospital-based purchasing organizations for our products. For Global CDMO, we served over 160 Global CDMO customers across 50 countries as of March 31, 2026.

Segment reporting and revenue contribution

Set out below are details of our revenue from operations across business verticals for the years indicated:

Particulars	**Fiscal**						
	2026		**2025**		**2024**		
	Amount (₹ million)	**% of total revenue from operations**	**Amount (₹ million)**	**% of total revenue from operations**	**Amount (₹ million)**	**% of total revenue from operations**	**CAGR (Fiscals 2024 to 2026) (%)**
Global Generics	8,617	46.61%	5,437	40.43%	3,513	32.36%%	56.62%
Global CDMO	7,828	42.34%	6,430	47.81%	5,902	54.35%	15.17%
India Branded Formulations	1,658	8.97%	1,318	9.80%	1,146	10.55%	20.28%
Other operating revenue*	384	2.08%	263	1.96%	298	2.74%	13.52%

Particulars	Fiscal						
	2026		2025		2024		
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	CAGR (Fiscals 2024 to 2026) (%)
Total revenue from operations	**18,487**	**100.00%**	**13,448**	**100.00%**	**10,859**	**100.00%**	**30.48%**

** Other operating revenue primarily comprises government grants, export incentives, freight and insurance, miscellaneous income, and proceeds from sale of scrap and raw materials.*

Key geographies

Set out below are details of our total revenue from operations attributable to the geographic markets for which our products were manufactured for the years indicated:

Particulars$	Fiscal					
	2026		2025		2024	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
India	4,423	23.92%	3,961	29.45%	2,809	25.87%
Outside India	13,680	74.00%	9,224	68.59%	7,752	71.39%
- *United States*	11,961	64.70%	7,734	57.51%	6,362	58.59%
- *Europe*	1,039	5.62%	690	5.13%	781	7.19%
- *Rest of the world#*	680	3.68%	800	5.95%	609	5.61%
Other operating revenue*	384	2.08%	263	1.96%	298	2.74%
Total revenue from operations	**18,487**	**100.00%**	**13,448**	**100.00%**	**10,859**	**100.00%**

#Rest of the world includes Australia, Philippines, Japan and UAE, among others.
** Other operating revenue primarily comprises government grants, export incentives, freight and insurance, miscellaneous income, and proceeds from sale of scrap and raw materials.*
$The above data is based on country of consumption and may not necessarily align with the Restated Consolidated Financial Information.

Revenue concentration among top 5 customers

Set out below are details of revenue contribution by our top five customers for the years indicated:

Particulars	Fiscal					
	2026		2025		2024	
	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations	Amount (₹ million)	% of total revenue from operations
Top five customers	7,918	42.83%	5,726	42.58%	4,840	44.57%

Note: The top five customers are the top five customers for each of the respective years and may not necessarily be the same customers.

Key facilities

As of the date of the Draft Red Herring Prospectus, we operate two manufacturing facilities located in Goa and Indore. We also operate a research and development unit, Encube Advanced Research Centre in Palava, Mumbai.

Business strengths and strategies

<u>Strengths</u>

1. Large scale and regulated market approved manufacturing operations supported by robust compliance track-record;

2. Focus on R&D driving innovation pipeline depth and conversion to commercial products;

3. Fastest growing US topical generics player with an integrated manufacturing and front-end presence;

4. Long-standing relationships with marquee customers with consistent growth in wallet share;

5. Synergistic and integrated business verticals delivering accelerating growth; and

6. Professional leadership driving value creation and business transformation.

Strategies

1. Accelerate growth in Global Generics and extend our commercial presence to the UK and Germany;

2. Expand product portfolio into adjacent dosage forms and new molecules through active development programs;

3. Deepen our Global CDMO wallet share and expand customer base across geographies and channels;

4. Scale India Branded Formulations organically and through selective acquisitions and in-licensing; and

5. Increase operating leverage and sustain cost leadership by scaling volumes across existing capacity.

For further and complete information, see "*Our Business*" beginning on page 224 of the Draft Red Herring Prospectus.

2. Summary of the Industry *(Source: F&S Report)*

The global topical molecule pharmaceutical market increased from USD 43 billion in Fiscal 2021 to USD 59 billion in Fiscal 2026 and is projected to reach USD 86 billion by Fiscal 2031F, representing a Fiscal 2021-Fiscal 2031F CAGR of 7.20%. Growth has consistently outpaced the broader pharmaceutical market, supported by expanding therapeutic applications, increasing adoption of localized drug delivery and sustained demand across both prescription pharmaceuticals and medicated consumer healthcare.

Generic products represented USD 46 billion of the global topical molecule market in Fiscal 2026, accounting for 77.99% of total market value, while innovator products contributed USD 13 billion, representing the remaining 22.01%.

The global topical molecule CDMO market reached USD 5 billion in Fiscal 2026 and is expected to expand to USD 8 billion by Fiscal 2031F, implying growth ahead of the broader small molecule CDMO market. Global topical small molecule CDMO is projected to grow at 8.00% CAGR during Fiscal 2016-Fiscal 2031F compared with 5.95% CAGR for the overall CDMO industry. The segment therefore benefits from two reinforcing growth vectors: expansion of the underlying topical formulations market and increasing outsourcing penetration across both prescription and consumer healthcare products.

The Indian topical molecule market was estimated at ₹145 billion in Fiscal 2026 and is projected to expand to ₹224 billion by Fiscal 2031F, representing a CAGR of 9.15% during Fiscal 2026 to 2031F.

For further information, see "*Industry Overview*" beginning on page 167 of the Draft Red Herring Prospectus.

3. Promoter

The Promoter of our Company is Mehul Madhusudan Shah.

Mehul Madhusudan Shah, aged 60 years, is the Founder, Promoter, Chairman and Managing Director of our Company. He has served on the Board of our Company since its incorporation on September 7, 1995. He is responsible for providing strategic leadership and overall direction to our Company, overseeing corporate governance, guiding its long-term strategy, fostering a culture aligned with the Company's values, and overseeing its business and operations. He has passed the examination for a bachelor's degree in pharmacy from the University of Bombay. He has over 39 years of experience in the pharmaceutical sector. He currently serves as the vice president (western region) of the Indian Drugs and Manufacturers Association and is a trustee of the Foundation for Liberal and Management Education Society.

For further information, see "*Our Management*" and "*Our Promoter and Promoter Group*" beginning on pages 277 and 295 of the Draft Red Herring Prospectus, respectively.

4. Objects of the Offer

The objects of the Offer are to (i) carry out the Offer for Sale of up to [●] Equity Shares of face value of ₹1 each by the Selling Shareholders aggregating up to ₹30,000 million; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India.

Our Company will not receive the Offer Proceeds, and all the Offer Proceeds will be received by each of the Selling Shareholders after deduction of their respective portion of the Offer-related expenses and the relevant taxes thereon, to be borne by the respective Selling Shareholders.

For further information, see "*Objects of the Offer*" beginning on page 123 of the Draft Red Herring Prospectus.

5. Pre-Offer and Post-Offer shareholding of our Promoter, members of the Promoter Group and the additional top 10 Shareholders

The pre-Offer and post-Offer shareholding of our Promoter, members of our Promoter Group and the additional top 10 Shareholders (excluding our Promoter and members of our Promoter Group) is set out below:

Sr. No.	**Name of the shareholder**	**Pre-Offer shareholding as at the date of the Draft Red Herring Prospectus**		**Post-Offer shareholding as at the date of Allotment^**			
				At the lower end of the price band (₹[●])		**At the upper end of the price band (₹[●])**	
		Number of Equity Shares of face value of ₹1 each held	**Shareholding on a fully diluted basis (in %)&**	**Number of Equity Shares of face value of ₹1 each held***	**Shareholding (in %)***	**Number of Equity Shares of face value of ₹1 each held***	**Shareholding (in %)***
Promoter							
1.	Mehul Madhusudan Shah^^	186,476,100	61.15	[●]	[●]	[●]	[●]
Members of the Promoter Group							
1.	Niti Shah	28,346,400	9.30	[●]	[●]	[●]	[●]
2.	Mansi Harses Kampani	15,480,000	5.08	[●]	[●]	[●]	[●]
3.	Niloni Shah	15,480,000	5.08	[●]	[●]	[●]	[●]
4.	Chandramani N. Maniar**	44,100	Negligible	[●]	[●]	[●]	[●]
5.	Rajesh Navinchandra Maniar	30,000	Negligible	[●]	[●]	[●]	[●]
6.	Nilesh N. Maniar	3,600	Negligible	[●]	[●]	[●]	[●]
7.	Pinki Gandhi	3,600	Negligible	[●]	[●]	[●]	[●]
8.	Mehul Madhusudan Shah HUF	1,800	Negligible	[●]	[●]	[●]	[●]
9.	Madhusudan Shah HUF	1,800	Negligible	[●]	[●]	[●]	[●]
Public Shareholders (top 10 Shareholders)							
1.	Frontier Investment Holdings Pte. Ltd.^^	45,789,990	15.02	[●]	[●]	[●]	[●]
2.	Harses Kampani	3,120,000	1.02				
3.	Mihir Shah	3,120,000	1.02				
4.	Nemish S Shah HUF	3,120,000	1.02	[●]	[●]	[●]	[●]

Sr. No.	Name of the shareholder	Pre-Offer shareholding as at the date of the Draft Red Herring Prospectus		Post-Offer shareholding as at the date of Allotment^			
				At the lower end of the price band (₹[●])		At the upper end of the price band (₹[●])	
		Number of Equity Shares of face value of ₹1 each held	Shareholding on a fully diluted basis (in %)&	Number of Equity Shares of face value of ₹1 each held*	Shareholding (in %)*	Number of Equity Shares of face value of ₹1 each held*	Shareholding (in %)*
5.	Vallabh Bhansali	1,500,000	0.49	[●]	[●]	[●]	[●]
6	J Vaidyaraman	100,500	0.03	[●]	[●]	[●]	[●]
7	Himanshu Mahendra Gandhi	84,600	0.03	[●]	[●]	[●]	[●]
8	V Shankar	81,000	0.03	[●]	[●]	[●]	[●]
9	Jayeshkumar Mohanlal Shah	60,000	0.02	[●]	[●]	[●]	[●]
10	Jayesh V Sanghvi	49,500	0.02	[●]	[●]	[●]	[●]
Other Public Shareholders							
1.	-#	[●]	[●]	[●]	[●]	[●]	[●]
Total		[●]	[●]				

$Based on beneficiary position statement as available on July 30, 2026.
& Calculated assuming allotment of Equity Shares pursuant to exercise of all outstanding options vested under ESOP 2020.
** The post-Offer shareholding shall be updated in the Abridged Prospectus and Prospectus.*
***Includes 40,500 Equity Shares of face value of ₹1 each with Nilesh Navinchandra Maniar*
^Assuming full subscription in the Offer. The post-Offer shareholding details as at Allotment will be based on the actual subscription and the Offer Price and updated in the Prospectus, subject to finalization of the Basis of Allotment. The post-Offer shareholding shall be updated in the Prospectus based on ESOPs exercised until such date.
^^Also a Selling Shareholder
#As on the date of the Draft Red Herring Prospectus, our Company has 99 shareholders (based on beneficiary position statement available on July 30, 2026)
Notes:
(1) Includes all options that have been exercised until the date of Prospectus and any transfers of Equity Shares by existing Shareholders after the date of the pre-Offer and Price Band advertisements until date of Prospectus.
(2) Based on the Offer Price of ₹ [●] and subject to finalisation of basis of Allotment.

For further details, see "*Capital Structure*" beginning on page 98 of the Draft Red Herring Prospectus.

6. Summary of Restated Consolidated Financial Information

The summary of certain financial information as at and for the Fiscals 2026, 2025 and 2024, as derived from the Restated Consolidated Financial Information are set forth below:

(in ₹ million, except per share data)

Sr. no.	Particulars	As at and for the Financial Year ended March 31,		
		2026	**2025**	**2024**
1	Equity share capital	101,293,030	101,283,030	101,270,530
2	Net Worth(1)	19,536	15,128	12,584
3	Revenue from Operations(2)	18,487	13,448	10,859
4	EBITDA (3)	6,633	4,521	2,976
5	Profit After Tax(4)	4,367	2,496	1,561
6	Basic earnings per equity share (in ₹) (5)	14.38	8.23	5.14
7	Diluted earnings per equity share (in ₹) (6)	14.36	8.21	5.13
8	Return on Net Worth (in %)(7)	25,.21%	18.04%	13.24%
9	Net Asset Value per Equity Share (in ₹)(8)	64.29	49.79	41.42
10	Total borrowings	2,217	2,305	2,281
11	Net cash flows generated from operating activities	3,031	2,998	1,819

Sr. no.	Particulars	As at and for the Financial Year ended March 31,		
		2026	2025	2024
12	Net cash flow (used in) investing activities	(2,514)	(2,643)	(2,635)
13	Net cash flow generated from/ (used in) financing activities	(462)	(179)	174

Notes:

(1) Net Worth is the aggregate value of the paid-up share capital and all reserves created out of the profits which are available for distribution as dividend, securities premium account and debit or credit balance of profit and loss account i.e., retained earnings as per Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Accordingly, we have calculated net worth as aggregate of Equity Share capital, securities premium, retained earnings, general reserve, share based payment reserve.

(2) Revenue from Operations is as appearing in the Restated Consolidated Financial Information .

(3) EBITDA is calculated as restated profit before tax plus (i) finance costs, (ii) depreciation and amortization expenses, and (iii) impairment charges; less other income.

(4) Profit for the year (PAT) is restated profit for the year as appearing in the Restated Consolidated Financial Information.

(5) Basic Earnings per Equity Share (₹) = Restated profit for the year attributable to the equity holders of the parent divided by weighted average number of Equity Shares outstanding during the year.

(6) Diluted Earnings per Equity Share (₹) = Restated profit for the year attributable to the equity holders of the parent divided by weighted average no. of potential Equity Shares outstanding during the year.

(i) Return on Net Worth (%) = Restated Profit for the year attributable to equity holders of the parent as appearing in Restated Financial Information divided by average Net worth. Average Net worth is the average of opening and closing Net worth as at the end of relevant Fiscal.

Net Worth is defined as per Regulation 2(1)(hh) of SEBI (Issue of Capital and Disclosure Requirements) regulations, 2018, as amended. Net worth is the aggregate value of the paid-up share capital and all reserves created out of the profits which are available for distribution as dividend, securities premium account and debit or credit balance of profit and loss account i.e., retained earnings as per Restated Consolidated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation. Net worth for Company is calculated as aggregate of Equity Share capital, securities premium, retained earnings, general reserve, share based payment reserve as appearing in Restated Consolidated Financial Information.

(7) Net asset value per Equity Share is calculated as Net worth as the end of the year divided by number of equity shares outstanding as at the end of year. One Equity share outstanding has been adjusted for split (10 Shares for every 1 Equity Share) and bonus (2 Bonus Shares for every 1 Equity Share) of equity shares, retrospectively.

For further details, see "*Restated Consolidated Financial Information*", "*Other Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 299, 361 and 363 of the Draft Red Herring Prospectus, respectively.

7. Summary of Key Performance Indicators

Details of our KPIs as at and for the Financial Years ended March 31, 2026, March 31, 2025, and March 31, 2024, are set out below:

(in ₹ million, unless otherwise indicated)

Sr. No.	KPIs	Unit	GAAP/ NON-GAAP/Operational	As at and for the financial year ended March 31, 2026	As at and for the financial year ended March 31, 2025	As at and for the financial year ended March 31, 2024
Financial KPIs						
1	Revenue from operations(1)	₹ million	GAAP	18,487	13,448	10,859
2	Revenue from Global Generics(2)	₹ million	NON-GAAP	8,617	5,437	3,513
3	Revenue from Global CDMO(3)	₹ million	NON-GAAP	7,828	6,430	5,902
4	Revenue from India Branded Formulations(4)	₹ million	NON-GAAP	1,658	1,318	1,146
5	Revenue from operations growth rate(5)	%	NON-GAAP	37.47%	23.84%	NA

6	Revenue from Global Generics growth rate(6)	%	NON-GAAP	58.49%	54.77%	NA
7	Revenue from Global CDMO growth rate(7)	%	NON-GAAP	21.74%	8.95%	NA
8	Revenue from India Branded Formulations growth rate(8)	%	NON-GAAP	25.80%	15.01%	NA
9	Material profit(9)	₹ million	NON-GAAP	13,017	9,434	7,312
10	Material margin(10)	%	NON-GAAP	70.41%	70.15%	67.34%
11	EBITDA(11)	₹ million	NON-GAAP	6,633	4,521	2,976
12	EBITDA growth rate(12)	%	NON-GAAP	46.72%	51.92%	NA
13	EBITDA margin(13)	%	NON-GAAP	35.88%	33.62%	27.41%
14	EBITDA pre-R&D(14)	₹ million	NON-GAAP	8,009	5,450	4,176
15	EBITDA pre-R&D margin(15)	%	NON-GAAP	43.32%	40.53%	38.46%
16	PAT(16)	₹ million	GAAP	4,367	2,496	1,561
17	PAT margin(17)	%	NON-GAAP	23.62%	18.56%	14.38%
18	Return on equity(18)	%	NON-GAAP	25.65%	18.26%	13.41%
19	Return on capital employed(19)	%	NON-GAAP	32.30%	23.66%	18.47%
20	Adjusted return on capital employed(20)	%	NON-GAAP	28.13%	20.25%	15.12%
21	Cash flow from operations(21)	₹ million	GAAP	3,031	2,998	1,819
22	Debt/ EBITDA(22)	times	NON-GAAP	0.37	0.56	0.84
23	Debt/ Equity(23)	times	NON-GAAP	0.13	0.17	0.20
24	Net working capital days(24)	days	NON-GAAP	143	141	143
25	R&D expenses(25)	₹ million	NON-GAAP	1,376	929	1,200
26	R&D expenses/ revenue(26)	%	NON-GAAP	7.44%	6.91%	11.05%
27	Capital expenditure(27)	₹ million	NON-GAAP	2,267	1,592	2,936
Operational KPIs						
28	ANDAs filed per year(28)	count	Operational	13	12	15
29	ANDAs approved per year(29)	count	Operational	14	13	11

30	Cumulative ANDAs filed(30)	count	Operational	73	60	48
31	Cumulative ANDAs approved(31)	count	Operational	57	43	30
32	Cumulative ANDAs commercialised (32)	count	Operational	51	35	28
33	R&D employees(33)	count	Operational	228	216	216

Notes:

1. *Revenue from operations is as appearing in the Restated Consolidated Financial Information*
2. *Revenue from global generics is calculated as the aggregate of revenue from generic topical formulation products that are commercialized through our own front-end*
3. *Revenue from global CDMO is calculated as the aggregate of revenue generated from topical formulation development and manufacturing services to global and Indian pharmaceutical companies*
4. *Revenue from India branded formulations is calculated as revenue generated from domestic branded and generic products which includes sales from Soframycin*
5. *Growth in revenue from operations is calculated as revenue from operations for the relevant fiscal minus the revenue from operations for the corresponding previous fiscal as a percentage of revenue from operations for the corresponding previous fiscal*
6. *Growth in revenue from global generics is calculated as revenue from global generics for the relevant fiscal minus the revenue from global generics for the corresponding previous fiscal as a percentage of revenue from global generics for the corresponding previous fiscal*
7. *Growth in revenue from global CDMO is calculated as revenue from global CDMO for the relevant fiscal minus the revenue from global CDMO for the corresponding previous fiscal as a percentage of revenue from global CDMO for the corresponding previous fiscal*
8. *Growth in revenue from India branded formulations is calculated as revenue from India branded formulations for the relevant fiscal minus the revenue from India branded formulations for the corresponding previous fiscal as a percentage of revenue from India branded formulations for the corresponding previous fiscal*
9. *Material profit is calculated as revenue from operations less (i) cost of materials consumed, (ii) purchases of stock-in-trade, (iii) changes in inventories of finished goods, work-in-progress and stock-in-trade*
10. *Material margin is calculated as material profit as a percentage of revenue from operations*
11. *EBITDA is calculated as restated profit before tax plus (i) finance costs, (ii) depreciation and amortization expenses, and (iii) impairment charges; less other income*
12. *Growth in EBITDA is calculated as EBITDA for the relevant fiscal minus the EBITDA for the corresponding previous fiscal as a percentage of EBITDA for the corresponding previous fiscal*
13. *EBITDA margin is calculated as EBITDA as a percentage of revenue from operations*
14. *EBITDA pre-R&D is calculated as restated profit before tax plus (i) finance costs, (ii) depreciation and amortisation expenses, and (iii) impairment charges, (iv) research & development expenditure recognised as an expense; less other income*
15. *EBITDA pre-R&D margin is calculated as EBITDA pre-R&D as a percentage of revenue from operations*
16. *Profit for the year (PAT) is restated profit for the year as appearing in the Restated Consolidated Financial Information*
17. *PAT Margin is calculated as profit for the year (PAT) as a percentage of revenue from operations*
18. *ROE is calculated as PAT for the relevant fiscal as a percentage of average total equity. Total equity is as appearing in Restated Consolidated Financial Information. Average total equity is calculated as the average of total equity for the relevant fiscal and the total equity of the corresponding previous fiscal*
19. *Return on capital employed or RoCE is calculated as EBIT as a percentage of capital employed. EBIT is calculated as the aggregate of restated profit before tax and finance costs for the relevant fiscal. Capital employed is calculated as the aggregate of (i) tangible net worth (which is total equity less (a) intangible assets, (b) intangible assets under development and (c) deferred tax assets), (ii) total debt (which includes (a) long-term borrowings, (b) short-term borrowings, (c) non-current lease liabilities and (d) current lease liabilities), and (iii) deferred tax liability as appearing in the Restated Consolidated Financial Information for the relevant fiscal*
20. *Adjusted RoCE is calculated as EBIT for the relevant fiscal divided by adjusted capital employed. Adjusted capital employed is calculated as the aggregate of (i) total equity and (ii) total debt*
21. *Cash flow from operations is net cash flows generated from operating activities as appearing in the Restated Consolidated Financial Information*
22. *Debt/ EBITDA is calculated as total debt divided by EBITDA*
23. *Debt/ Equity is calculated as total debt divided by total equity*
24. *Net working capital days is calculated as net working capital divided by revenue from operations multiplied by 365. Net working capital is calculated as (total current assets as appearing in the Restated Consolidated Financial Information less (i) cash and cash equivalents, (ii) bank balance other than cash and cash equivalents and (iii) current investments) minus (total current liabilities as appearing in Restated Consolidated Financial Information less (i) short-term borrowings and (ii) short-term lease liabilities)*
25. *R&D expenses is the research & development expenditure recognised as an expense as appearing in the Restated Consolidated Financial Information*
26. *R&D expenses/ revenue is calculated as R&D expenses as a percentage of revenue from operations*
27. *Capital expenditure is the aggregate of additions to property, plant and equipment, additions to intangible assets, additions to right of*

use assets, net additions to capital work in progress (CWIP) and net additions to intangible assets under development for the relevant fiscal. Net additions is calculated as additions less capitalised as appearing in the restated consolidated financial information

28. *The number of ANDAs filed with the USFDA in the relevant fiscal include (i) ANDAs developed in-house and submitted for approval, and (ii) ANDAs acquired from third parties that were already approved by the USFDA as at the date of acquisition and for which a post-approval supplement has been filed during the relevant fiscal. In the case of acquired ANDAs, the filing refers to the post-approval supplement and not to the original ANDA, which is required to add the Company's facility as an approved manufacturing site*
29. *The number of ANDAs approved by the USFDA in the relevant fiscal include (i) in-house ANDAs approved during the fiscal, and (ii) acquired ANDAs in the fiscal in which both (a) technology transfer to our facility is complete and (b) the USFDA approves the post-approval supplement adding the Company's facility as an approved manufacturing site. An acquired ANDA is counted here in the fiscal of such supplement approval, notwithstanding that the underlying ANDA was approved by the USFDA prior to acquisition.*
30. *The cumulative number of ANDAs filed with the USFDA as at the end of the relevant fiscal, determined on the same basis as "ANDAs filed per year" above*
31. *The cumulative number of ANDAs approved by the USFDA as at the end of the relevant fiscal, determined on the same basis as "ANDAs approved per year" above*
32. *The cumulative number of USFDA-approved ANDAs that have generated revenue as at the end of the relevant fiscal*
33. *R&D employees is the count of employees in R&D. These include employees in all R&D Functions along with the dedicated QA team at R&D*

For definitions of the above KPIs, see "*Definitions and Abbreviations – Key Performance Indicators*" on page 12 of the Draft Red Herring Prospectus. Further, for comparison with the listed peer(s) and more detailed disclosure on such KPIs, see "*Basis for Offer Price - Comparison of our KPIs with listed industry peers*" on page 134 of the Draft Red Herring Prospectus.

8. Risk Factors

The following are the top 10 internal risk factors as disclosed in the Draft Red Herring Prospectus:

1. We derive a substantial portion of our revenue from operations from our Global Generics business vertical (46.61%, 40.43% and 32.36% of our total revenue from operations in Fiscals 2026, 2025 and 2024, respectively) and Global CDMO business vertical (42.34%, 47.81% and 54.35% of our total revenue from operations in Fiscals 2026, 2025 and 2024, respectively). Any downturn or reduction in demand in either of these businesses could have an adverse effect on our business, results of operations, cash flows and financial condition.

2. We manufacture a significant portion of our products for geographies outside India (74.00%, 68.59% and 71.39% of our total revenue from operations in Fiscals 2026, 2025 and 2024, respectively) with a concentration in United States and Europe. We are exposed to risks associated with such foreign countries and any inability to manage those associated risks, could adversely affect our business, results of operations, cash flows and financial condition.

3. We are subject to strict technical specifications and quality requirements, and our manufacturing facilities are subject to periodic inspections and audits by regulatory authorities and our customers. Any manufacturing and/or quality control failure may subject us to regulatory action and/or termination of customer contracts any of which could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

4. Any quality control concerns in relation to products manufactured by us could result in the cancellation of purchase orders, breaches of relevant agreements, and termination of agreements by our customers and distributors, which could have an adverse effect on our business, results of operations, financial condition and cash flows.

5. We depend on certain key customers for a significant portion of our revenue from operations (our top 10 customers contributed to 59.74%, 58.79% and 61.69% of our total revenue from operations in Fiscals 2026, 2025 and 2024, respectively). Any decrease in revenue from any of our key customers or any loss of these customers may adversely affect our business, results of operations, cash flows and financial condition.

6. We have in the past spent and expect to continue to spend significant resources on our research and development efforts that may not result in marketable products. Our research and development expenditure represented 7.44%, 6.91% and 11.05% of our total revenue from operations in Fiscals 2026, 2025 and 2024, respectively. Any failure to successfully develop and commercialize products could have an adverse effect on our business, results of operations, cash flows and financial condition.

7. The global pharmaceutical industry is subject to extensive regulation and any failure to comply with regulatory requirements in any pharmaceutical market could expose us to litigation and other liabilities, which could adversely affect our reputation, business, results of operations, cash flows and financial condition.

8. Our manufacturing facilities are critical to our operations, and our Goa Facility contributed 85.12%, 81.96% and 86.55% of our revenue from operations in Fiscals 2026, 2025 and 2024, respectively. Any disruption, slowdown or shutdown of our facilities, particularly our Goa Facility, could have a material adverse effect on our business, financial condition, cash flows and results of operations.

9. We rely on certain domestic and international third-party suppliers for our raw materials and packaging materials that contribute to a significant portion of our expenses (our top ten suppliers contributed to 35.40%, 31.24% and 35.02% of our total purchases of raw materials and packaging materials in Fiscals 2026, 2025 and 2024, respectively). Any inability to procure the required quality and quantity, at competitive prices could adversely affect our business, results of operations, cash flows and financial condition.

10. We operate in a highly competitive industry. Our inability to respond to increased competition or pricing pressure could result in loss of market share, revenue and profitability. Any of these could adversely affect our business, results of operations, cash flows and financial condition.

For further details of the risks applicable to us, see "*Risk Factors*" beginning on page 21 of the Draft Red Herring Prospectus. Investors are advised to read the risk factors carefully before making an investment decision in the Offer.

9. Details of weighted average cost of acquisition of equity shares of our Promoter (also the Promoter Selling Shareholder) and Investor Selling Shareholder

The weighted average cost of acquisition of all equity shares acquired by our Promoter (also the Promoter Selling Shareholder) and the Investor Selling Shareholder as on the date of the Draft Red Herring Prospectus, and the weighted average cost of acquisition of all equity shares acquired by our Promoter (also the Promoter Selling Shareholder) and the Investor Selling Shareholder in the one year preceding the date of the Draft Red Herring Prospectus and three years preceding the date of the Draft Red Herring Prospectus is as follows:

Name	Number of Equity Shares of face value of ₹1 each held as on the date of the Draft Red Herring Prospectus	Weighted average cost of acquisition of Equity Shares of face value of ₹1 each (in ₹ per Equity Share)	Number of equity shares acquired during the last one year	Weighted average cost of acquisition of Equity Shares of face value of ₹1 each (in ₹ per Equity Share) acquired in last one year
Mehul Madhusudan Shah	186,476,100	0.08	135,217,400	0.08
Frontier Investment Holdings Pte. Ltd.	45,789,990	199.31	30,526,660	Nil*

As certified by Manian & Rao, Chartered Accountants (FRN: 001983S), by way of their certificate dated August 1, 2026.
**The equity shares acquired have been pursuant to a bonus issuance or gift.*
Note:
1. For arriving at the average cost of acquisition of the Equity Shares by the Promoter (also the Promoter Selling Shareholder) and the Investor Selling Shareholder, only acquisition of equity shares has been considered while arriving at average cost of acquisition per Equity Share.

Weighted average cost of acquisition of all equity shares transacted in three years, 18 months and one year immediately preceding the Draft Red Herring Prospectus

Period	Weighted Average Cost of Acquisition of Equity Shares (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition*	Range of acquisition price: Lowest Price – Highest Price (in ₹)
Last one year preceding the date of the Draft Red Herring Prospectus	11.91	[●]	Nil – 493.33
Last three years preceding the date of the Draft Red Herring Prospectus	11.58	[●]	Nil – 493.33

As certified by Manian & Rao, Chartered Accountants (FRN: 001983S), by way of their certificate dated August 1, 2026.
* *To be updated on finalisation of the Price Band.*
Note:
1. Effect of sub-division and bonus issuance has been given while calculating weighted average cost of acquisition and the range of acquisition price.

10. Board of Directors and Key Managerial Personnel

The names and designations of members of the Board of Directors and Key Managerial Personnel are set forth below:

S. No.	Name	Designation
Board of Directors		
1.	Mehul Madhusudan Shah	Chairman and Managing Director
2.	Pratik Haresh Kamani	Executive Director and Chief Executive Officer
3.	Dr. Amit Varma*	Non-Executive Director
4.	Pallavi Pratap Gokhale	Independent Director
5.	Sudarshan Jain	Independent Director
6.	Manoj Kumar	Independent Director
Key Managerial Personnel		
1.	Chinnadharavaram Sundaresan Muralidharan	Chief Financial Officer
2.	Parineeta S Poonja	Company Secretary and Compliance Officer

**Nominee of Frontier Investment Holdings Pte. Ltd.*

For further details, see "*Our Management*" beginning on page 277 of the Draft Red Herring Prospectus.

11. Auditor Qualifications

Except as disclosed in "*Risk Factors – Our Statutory Auditors have included certain observations in their audit reports relating to maintenance of audit trail features in our accounting software and matters reported under the Companies (Auditor's Report) Order, 2020. We cannot assure you that similar observations will not arise in the future, which may adversely affect our business, financial condition, cash flows and results of operations.*" and the "*Restated Consolidated Financial Information*", on pages 65 and 299 of the Draft Red Herring Prospectus, respectively, the Statutory Auditors of our Company have not expressed any qualification, reservation, adverse remark, emphasis of matter, or other observation on our financial statements for the periods covered in the Draft Red Herring Prospectus.

12. Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Subsidiaries, Promoter, Directors, Key Managerial Personnel and Senior Management, as on the date of the Draft Red Herring Prospectus, in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Particulars	Criminal proceedings	Tax proceedings	Actions by Statutory or regulatory authorities	Disciplinary actions including penalty imposed by SEBI or Stock Exchanges against our Promoter in the last five financial years	Material civil litigations	Aggregate amount involved* (₹ in million)
Company						
By our Company	Nil	NA	N.A.	N.A.	Nil	Nil
Against our Company	Nil	37	Nil		1	1131
Directors (excluding our Promoter)						
By our Directors	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Directors	4$	Nil	Nil		Nil	Nil
Promoter						
By our Promoter	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Promoter	Nil	2	Nil	Nil	1	1
Subsidiaries						
By our Subsidiaries	Nil	N.A.	N.A.	N.A.	Nil	Nil
Against our Subsidiaries	Nil	1	1		Nil	Negligible
Key Managerial Personnel (excluding our Directors and Promoter)						
By our Key Managerial Personnel	Nil	N.A.	N.A.	N.A.	N.A.	Nil
Against our Key Managerial Personnel	1	N.A.	Nil		N.A.	Nil
Senior Management (excluding our Key Managerial Personnel)						
By our Senior Management	Nil	N.A.	N.A.	N.A.	N.A.	Nil
Against our Senior Management	Nil	N.A.	Nil		N.A.	Nil

**To the extent quantifiable.*

$ *These cases pertain to Sudarshan Jain, our Independent Director.*

As on the date of the Draft Red Herring Prospectus, there is no pending litigation involving our Group Companies, which may have a material impact on our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 402 of the Draft Red Herring Prospectus.

The offer and sale of the Equity Shares offered in the Offer have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in the Draft Red Herring Prospectus as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.