EARUM PHARMACEUTICALS LIMITED

Our Company was originally incorporated on July 26, 2012, as "Earum Pharmaceuticals Private Limited" as a Private Limited Company under the provisions of the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Thereafter, our Company was converted into a Public Limited Company and accordingly the name of our Company was changed to "Earum Pharmaceuticals Limited" pursuant to a special resolution passed by our Shareholders at the EGM held on January 10, 2019. A fresh certificate of incorporation consequent upon conversion to Public Limited Company was issued on January 23, 2019 by Registrar of Companies, Ahmedabad, Gujarat. For further details of our Company, please refer to the chapter titled "General Information" on page 39 of this Draft Letter of Offer.

Corporate Identification Number: L24230GJ2012PLC071299
Registered Office: A-1106, Empire Business Hub near AUDA Water Tank, Science City Road, Sola Ahmedabad - 380 060
Telephone: + 079-48402525; Email id: cs@earumpharma.com
Website: www.earumpharma.com;
Contact Person: Mrs. Madhuri Mistry, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: MR. BHUMISHTH NARENDRABHAI PATEL AND MRS. PAYAL BHUMISHTH PATEL

FOR PRIVATE CIRCULATION TO THE ELIGIBLEE QUITY SHAREHOLDERS OF EARUM PHARMACEUTICALS LIMITED (THE " COMPANY " OR THE "ISSUER") ONLY

WEHEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS ARE WILFUL DEFAULTERS AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF 24,67,16,400 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF Rs. 2/- EACH ("EQUITY SHARES") OF EARUM PHARMACEUTICALS LIMITED ("EARUM" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. 2/- PER EQUITY SHARE ("ISSUE PRICE"), AGGREGATING UPTO RS. 49,34,32,800/- ON RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 4 (FOUR) FULLY PAID UP EQUITY SHARE FOR EVERY 1 (ONE) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [•] **(THE "ISSUE"). THE ISSUE PRICE IS EQUAL TO FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE [•] OF THIS DRAFT LETTER OF OFFER.**

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section "*Risk Factors*" on page 24 of this Draft Letter of Offer.

OUR COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares are listed only on BSE Limited ("**BSE**"). Our Company has received 'in-principle' approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated **[•]**. Our Company will also make an application to the stock exchange to obtain its trading approval for the right entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

REGISTRAR TO THE ISSUE	BANKER TO THE ISSUE
BIGSHARE SERVICES PRIVATE LIMITED A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380 009 **Tel** : 022 – 6263 8200 **Email**: bssahd@bigshareonline.com **Website**: www.bigshareonline.com **Contact Person**: Mr. Ramesh Nair **SEBI Registration No**: INR000001385	-

ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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TABLE OF CONTENTS

CONTENTS	Page No.
Section – I Definitions and Abbreviations	**05**
Conventional and General Terms	05
Business and Industry related Terms / Abbreviations	06
Issue Related Terms	07
Abbreviations	09
Notice to Investor	13
No offer in the United States	14
Presentation of Financial Information and Use of Market Data	15
Forward Looking Statements	17
Section II – Summary of Letter of Offer	**19**
Section III – Risk Factors	**24**
Section IV – Introduction	**38**
Summary of the Issue	38
General Information	39
Capital Structure	43
Section V – Particulars of the Issue	**46**
Objects of the Issue	46
Statement of Tax Benefits	49
Section VI – About the Company	**52**
Industry Overview	52
Our Business	64
Our Management	68
Section VII – Financial Information	**72**
Auditors' Report and Financial Information of Our Company	77
Capitalisation statement	99
Management's Discussion and Analysis of Financial Condition and Results of Operations	100
Market price information	108
Section VIII – Legal and Other Regulatory Information	**110**
Outstanding Litigations	110
Material Developments	116
Government and Other Statutory Approvals	117
Other Regulatory and Statutory Disclosures	119
Section IX – Issue Related Information	**124**
Terms of the Issue	124
Procedure for making an application in the issue	126
Procedure for applications by certain categories of shareholders	133
Section X – Other Information	**149**
Material Contracts and Documents for Inspection	149
Section XI – Declaration	150

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SECTION –I–DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader / prospective investor only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial information & Statements" beginning on pages 49 and 72, respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

Conventional / General Terms

Term	Description
"EPL", "the Company", "our Company", "Issuer" and "Earum Pharmaceuticals Limited"	Earum Pharmaceuticals Limited
Articles / Articles of Association / AoA	Articles of Association of our Company, as amended from time to time
Auditors / Statutory Auditors	Our statutory auditors namely, M/s. JM Patel & Bros., Chartered Accountants, Ahmedabad
Board / Board of Directors	Board of Directors of our Company including a committee thereof
Company Secretary	Mrs. Madhuri Mistry
Compliance Officer	Mrs. Madhuri Mistry
Director(s)	Any or all director(s) of our Company, unless otherwise specified and as the context may require
Equity Shareholder(s) / Shareholder(s)	A holder of the Equity Shares of our Company
Equity Share(s)	Equity Shares of our Company of face value of Rs. 2/- each
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the register of members of our Company or on the list of register of beneficial owners of our Company maintained by the Depositories as at the end of business hours of the Record Date i.e.,[•].
Financial Statements	Audited Standalone financial statements of our Company
Limited Review Report and Financial Statements	Together, the limited review unaudited financial results for the Half Year ended on 30th September, 2022 the statement of assets and liabilities as at 30th September, 2022 and the Cash Flow Statement for the Half Year ended on 30th September, 2022 of our Company prepared and published in accordance with Regulation 33 of the SEBI Listing Regulations.
Memorandum / Memorandum of Association / MoA	Memorandum of Association of our Company, as amended from time to time.
Promoters	Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	The Registered office of our Company situated at A-1106, Empire Business Hub Near AUDA Water Tank, Science City Road, Sola Ahmedabad - 380 060

Business and Industry related Terms / Abbreviations

Term / Abbreviation	Description / Full Form
ACA	The Affordable Care Act
ACOs	Accountable Care Organizations
AIIMS	All India Institute of Medical Sciences
ANDAs	Abbreviated New Drug Applications
API	Active Pharmaceutical Ingredient
ARVs	Antiretrovirals
DMFs	Drug Master Files
EDQM	European Directorate for the Quality of Medicines
FPP	Finished Pharmaceutical Product
GCP	Good Clinical Practice
GLP	Good Laboratory Practice
GMP	Good Manufacturing Practice
HIV	Human Immunodeficiency Virus
IP	Indian pharmacopoeia
IPA	Indian Pharmaceutical Association
ISPE	International Society for Pharmaceutical Engineering
R&D	Research and development
FDA	The Food and Drug Administration
PIC/S	The Pharmaceutical Inspection Co-operation Scheme
WHO	World Health Organization
MRP	Maximum Retail Price
OHSAS	Occupational Health and Safety Assessment Series
R&D	Research and Development
Sq. Ft.	Square Feet
U.S.	Unites States of America
USFDA	US Food and Drug Administration

Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the SEBI Regulations
Allottee(s)	Persons to whom Equity Shares of our Company will be issued pursuant to the Issue.
Allotment / Allotted	The allotment of Equity Shares pursuant to the Issue
Allotment Date	The date on which the Allotment is made
Applicant(s)	The Eligible Equity Shareholders and / or the Renounces who are entitled to apply or have applied for the Rights Equity Shares under the Issue, as the case may be.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
Application Amount	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Amount in his / her / its specified bank account maintained with the SCSB.
ASBA Account	An account maintained with an SCSB and specified in the Application Form or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper application.
ASBA Investor(s)	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall make an application for a rights issue only through ASBA Facility.
Bankers to the Issue	[•]
Controlling Branches of the SCSBs	Such branches of SCSBs which coordinate Bids under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The Draft Letter of Offer dated 24th January, 2023
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors
"Escrow Collection Bank", "Allotment Account Bank(s)"or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being,[•]
Foreign Portfolio Investor(s) / FPI(s)	A person who satisfies the eligibility criteria prescribed under Regulation 4 of the SEBI (FPI) Regulations and has been considered under chapter III of the SEBI (FPI) Regulations, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act. Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
IEPF	Investor Education and Protection Fund
ISIN	International securities identification number
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date,[•],

Issue / Rights Issue	Issue of 24,67,16,400 Equity Shares for cash at Issue Price of Rs. 2/-per Equity Share at par aggregating to Rs. 49,34,32,800/- on a rights basis to the Equity Shareholders of our Company in the ratio of 4 (Four) Equity Share for every 1 (One) fully paid-up Equity Share held by the Equity Shareholders on the Record Date.
Issue Closing Date	[•]
Issue Opening Date	[•]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI (ICDR) Regulations**.**
Issue Price	Rs. 2/- at par
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	Amount aggregating upto Rs. 49,34,32,800/-
Letter of Offer / LOF	The final letter of offer to be issued by our Company in connection with the Issue.
Listing Agreement	The listing agreement entered into between our Company and BSE Limited in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple applications.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circular, circulars issued by the Depositories from time to time and other applicable laws on or before[•].
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circular, circulars issued by the Stock Exchange from time to time and other applicable laws, and other applicable laws, on or before [●]
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, see the section "*Objects of the Issue*"on page [•] of this Draft Letter of Offer.
Non – Institutional Investors / Non –Institutional Investors	All Investors, including FPIs which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an cumulative amount more than Rs. 2,00,000/-
Qualified Foreign Investors / QFIs	QFI shall mean a person who has opened a dematerialized account with a qualified depositary participant as a qualified foreign investor under the SEBI (FPI) Regulations.
Qualified Institutional Buyers or QIBs	Qualified Institutional Buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [•].
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Renouncee(s)	Any person(s) who has / have acquired Rights Entitlements from Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [•], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off – market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investors	Individual Investors who have applied for Equity Shares for an amount less than or equal to Rs. 2,00,000/- in the Issue (including HUFs applying through the karta)
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 4 Rights Equity Share for every 1 Fully Paid-Up Equity Share held by an existing Eligible Equity Shareholder.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company

SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
Stock Exchange	BSE Limited where our Equity Shares are presently listed and traded.
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Willful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Ahmedabad are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Ahmedabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by the SEBI.

Abbreviations

Term / Abbreviation	Description/ Full Form
₹ / ₹/ Rupees/ INR	Indian Rupees
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
BSE SENSEX	Sensex is an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited

CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CAD	Canadian Dollar
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act,1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	"Foreign Portfolio Investor" means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added

HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
BSE	BSE Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum

PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UIN	Unique identification number
US/United States	United States of America
USD/ US$/ $	United States Dollar, the official currency of the Unites States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, ()	Represent Outflow

NOTICE TO INVESTOR

The distribution of this the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights EntitlementLetter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform them about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email and physical dispatch through speed post the Draft Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Draft Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make arequest in this regard. Investors can also access the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, etc.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this, the Draft Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated assent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares orthe Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date here of or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

Neither the delivery of this the Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this, the Draft Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States of America or the territories or possessions thereof ("**United States**"), except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States.

Accordingly, this Draft Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India.

Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Draft Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an Indian address. Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that, (i) it is not and that at the time of subscribing for such Rights Equity Shares or the Rights Entitlements, it will not be, in the United States, and (ii) it is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which: (i) does not include the certification set out in the Application Form to the effect that the subscriber is authorised to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Rights Entitlements may not be transferred or sold to any person in the United States.

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise or unless the context otherwise requires, the financial information and data in this Draft Letter of Offer, with respect to our Company, is derived from our audited financial statements. For details, please see "Financial Information" beginning on page 72 of this Draft Letter of Offer.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "Financial Year" or "Fiscal Year" or "Fiscal" are to the 12 (twelve) months period ended on March 31 of that year.

The GOI has adopted the Indian Accounting Standards ("Ind AS"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("IFRS") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "Ind AS Rules"). The Audited Financial Statements of our Company for the Financial Year ended on March 2021 and March 2022 and the Half Year ended September 30, 2022 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Draft Letter of Offeres (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

All numerical values as set out in this draft Letter of Offer, for the sake of consistency and convenience, have been rounded off to two decimal places. In this draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "Financial Information" beginning on page 72 of this Draft Letter of Offer.

Currency and Units of Presentation

All references to:

- "Rupees"or "Rs." or "INR" or "Rs." are to Indian Rupee,the official currency of the Republic of India;

Our Company has presented certain numerical information in this Draft Letter of Offer in "Lakh" or "Lac" units. One Lakh represents 1,00,000 and one million represents 10,00,000. All the numbers in the document have been

presented in Lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Information.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, or any of its affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 24, of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

This Draft Letter of Offer contains certain "forward - looking statements". Forward looking statements appear throughout this Letter of Offer, including, without limitation, under the chapters titled "*Risk Factors*", "*Our Business*" and"*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Industry Overview*". Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information. These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "continue", "can", "could", "expect", "estimate", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "seek to", "will", "will continue", "will pursue", "forecast", "target", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company's expected financial conditions, results of operations; business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Draft Letter of Offer that are not historical facts. These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, the competition in our industry and markets, technological changes, our exposureto market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- A prolonged slow down in economic growth in India or financial instability in other countries, particularly in light of the COVID-19 pandemic, could cause our business to suffer.
- Legal proceedings determined against us;
- Significant competition in our businesses;
- Information technology and failure of, or inadequacies of our IT systems;
- Operational risks associated with the financial services industry;
- Receipt of statutory and regulatory approvals;
- Accuracy and completeness of information about clients and counter parties;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiary(ies), Promoter(s) and other related party(ies);
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or non compliance with and changes in, safety, health and environmental laws and other applicable regulations,

may adversely affect our business, financial condition, results of operations and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 24, 64, and 100 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Promoter, our Director, nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SECTION–II- SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by more detailed information appearing in this Letter of Offer, including the sections titled "*Risk Factors*", "*Summary of the Issue*", "*Capital Structure*", "*Objects of the Issue*", "*Our Business*", "*Industry Overview*", "*Outstanding Litigation*" and "*Terms of the Issue*" on pages 24, 38, 43, 46, 64, 52, 110 and 124 respectively.

1. Summary of Primary Business

Our company was originally incorporated as 'Earum Pharmaceuticals Private Limited' on July 26, 2012, under the Companies Act, 1956 engaged in pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections.. Consequent upon conversion into Public Limited Company the name of our Company was changed to 'Earum Pharmaceuticals Limited' on January 10, 2019 and fresh certificate of incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat, on January 23, 2019.

Our Company remained focused on providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Enterpreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Our Products

Segment	Products				
Anti-Biotic	Erocefux-250/500 Tablets	Eropod 100/200 Tablets	Eroclave – 625 Tablets	Eroclave – 625 (Lb) Tablets	Erothro 250/500 Tablets
	Erofixime – 200 Tablets	Eroflox 200 Tablets	Erofixime – Oz Tablets	Erofixime – Of Tablets	Eroflox- Oz Tablets
	Erolev – Oz Tablets	Erofixime- CV Tablets	Eropod – CV Tablets	Eroclave Dry Syrup	Eroclave (Lb) with WFI Dry Syrup
	Eroclave Forte Dry Syrup				
Anti-Malarial	Artynet Kit Tablets	Artymet – L Tablets	Artymet – L Forte Tablets		
Analgesic/ Anti – Pyretic & Anti – Inflammatory	Erofanac P Tablets	Erofanac P Suspension	Erofanac SP Tablets	Erofanac – MR Tablets	Erodol Gel
	Nimolsy Tablets	Nimicool Tablets	Colcid – A Tablets	Etercox – 90 Tablets	Etolchy Tablets
	Glucosem Tablets	Dretin – M Tablets	Mefnamol Suspension	Mefnamol Plus Suspension	Parsitol Suspension
	Aalkaz Syrup				
Anti-Allergic & Anti-Cold	Trexodine Syrup	Erocoff Syrup	Erocoff – DM Syrup	Erocoff – T Syrup	Erozine 5 tablets
	Erozine – M Syrup	Erozine M Tablets	Erofex – M Tablets	Erocold Tablets	Erocold Syrup
	Broncophylline Capsules				
Dermatology	Ketnizal 200 tablets	Itranz 100 capsules	Chlordent mouth wash liquid	Clonicom Gel	Ketnizal Shampoo
	Sulfoxy Cream	Goggles Lotion	Moistzer Cream	Ketnizal Soap	Benprox Soap
	Erofixime	Eropod Dry Syrup	Eropod Forte Dry Syrup	Eropod CV Dry Syrup	Erofixime Dry Syrup

	Erofixime CV Dry Syrup	Erolev 500 Tablets	Eroflox Suspensions		
Cerebral Activators	Behesta – 8 Tablets	Behesta – 16 tablets			
Calcium, Multi-vitamins & anti-oxidants	Calcybar D3 Tablets	Calcybar K27 Tablets	Calcybar Tablets	Calcybar Syrup	Ero D3 Chewable tablet/ Powder
	Silvee Syrup	Silvee Capsules	Lycony Capsule/ Syrup	Emoga 369 Capsules	Lycyn Syrup
	Erohim – Xt Syrup	Chocostar Syrup	Earovit Tablet/ Syrup	Earovit Drops	Earovit Fort Tablets
	Beecops Tablets	Vitajing Capsules	Glowing tablets	Eropro – SF Powder	Cypum Syrup
	Orangey/ Mangoes Powder				
Neurological	Ero BDF Tablets	Mecolba – G Tablets	Mecolba – P Capsules	Mycolba Syrup	
Gastro Intestinal	Eropanta 40 Tablets	Eropanta – DM Tablets	Eropanta – DSR Capsules	Megnafinn Suppository	Erorabe 20 Tablets
	Erorabe – DSR Capsules	Erorabe – LS Capsules	Prebiotics Capsule/ Powder	Earozym Syrup/ Drops	Erocid Suspension
	Cralsate – O Syrup	Lexatu			
Steroids	Cortdef 6 Tablets	Metpredy 8/4 Tablets	Metpredy Tablets		
Gynecology	Erohim XT Tablets	Vominos Tablets	Trenixa – M Tablets	Pyrinos Plus	Erostron Tablets
Injections	Eroxon 1	Ceftixon 1	Ceftixon - S 1.5	Eroxone S 1.5	Erozone S 1.5
	Erodol AQ	Mycolba 1500	MycolbaPluse	Rosered	Erostron
	Artynet	Erother	Eropanta 40		

Our business activities can be summarized as per below table:

Our Competitive Strengths

1. ***Diversified Product Portfolio:***

Our Company has diverse product portfolio across various segments to fulfill customer's requirements. Our offerings includes wide range of finished formulations. We supply products on the basis of trends, needs and requirements in the market. Our product range in formulations allows our existing customers to source majority of their product requirements from us and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

2. ***Experienced Promoter and Management team:***

The Promoter of our Company, Mr. Bhumishth Narendrabhai Patel has significant industry experience and has been instrumental in the consistent growth of our Company's performance. Mr. Bhumishth Patel has an overall experience of over 15 years in various segments of pharmaceutical business. Further our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical business will enable us to continue to take advantage of both current and future market opportunities.

3. ***Quality assurance:***

We believe that quality is an ongoing process of building and sustaining relationships. Strength lies in understanding the requirements of the customer and our execution capabilities. This has enabled us to get repeated orders from our existing customers and attract new customers.

Our Business Strategies

1. ***Make our presence in Global Market:***

Currently, we carry our business operations in India. We believe that our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations.Currently we have presence in Indian States such as Gujarat, Maharashtra, Chhattisgarh, Uttar Pradesh, Mizoram, Andhra Pradesh, Rajasthan, Madhya Pradesh, Manipur, Assam, Meghalaya, Kerala, Telangana etc. We intend to grow our sales by offering new products in the international markets. Our growth strategy will vary from country to country depending on their specific regulatory requirements.

2. ***Leveraging our Marketing skills and Relationships:***

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

3. ***Focus on dealing in quality standard products:***

Quality of the product is very important for the company from both customer point of view and growth point of view. Our Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

4. ***To build-up a professional organization:***

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

5. ***Develop cordial relationship with our Suppliers, Customer and employees***

We believe in maintaining good relationship with our Suppliers and Customers which is the most important factor to keep our Company growing. Our dedicated and focused approach and efficient and timely delivery of products has helped us build strong relationships over number of years. We bag and place repetitive order with our customers as well as with our suppliers respectively. For us, establishing strong, mutually beneficial long-term relationships and strategic supplier relationship management are critical steps in improving performance across the supply chain, generating greater cost efficiency and enabling the business to grow and develop.

SALES AND MARKETING

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the

strength of our relationship with our sales channels that are associated with our Company. Our sales and marketing team is dedicated to pursue and enhance our business interest in finished dosage forms. Our team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating new sales orders and expanding the current volume of our business year on year. In order to maintain good relation with customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

MARKETING STRATEGY

We intend to focus on following marketing strategies:

1. Focus on entering into international markets
2. To expand our existing distribution base
3. Continuously holding market trends
4. Supply of Quality Products
5. Fulfillment of Order in a timely manner
6. Adapting to market dynamics

Competition

Pharmaceutical being a global industry, we face competition from various domestic and international manufacturers and traders.Competition emerges from small as well as big players in the pharmaceutical industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in pharmaceutical business are consistent and quality products, their prompt availability and strong relations with formulators and pharmaceutical manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based pharmaceutical company and we focus on providing products that would be in consonance with technical and quality requirements of our customer as well as we try to offer a competitive pricing model without compromise on the quality.

Approach to marketing and marketing set-up

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr.Bhumishth Patel. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

2. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

Sr. No.	Particulars	Amount (In lakh)
(A)	Gross proceeds of the Rights Issue**	4934.33
	Less: Expenses of the Issue (approx.)	150.00
	Net proceeds of the Rights Issue	**4784.33**
(B)	Utilization of the net proceeds of the Rights Issue	
	(a) Towards Working Capital Requirements	2863.00
	(b) Repayment of Loan	688.00
	(c) General Corporate Purpose	1233.33
	Total Net Proceeds**	**4784.33**

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

***Assuming full subscription and Allotment with respect to the Right Equity shares.*

For further details, please see chapter titled "*Objects of the Issue*" beginning on page 46 of this Draft Letter of Offer.

3. Intention and extent of participation by Promoter and Promoter Group

The Promoter and members of the Promoter Group of our Company have, indicated their intention to subscribe, jointly and / or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter(s) or member(s) of the Promoter Group of our Company. For further details, please see the chapter titled "Capital Structure" beginning on page 43 of this Draft Letter of Offer.
Summary of Outstanding Litigation

4. A summary of the pending tax proceedings and other material litigations involving our Company is provided below:-

Type of Proceedings	Number of cases	Amount (in Rs.)
Cases against our Company		
Taxation Matters	1	3,86,000
Cases against our Promoters		
Criminal Litigations	5	1,04,73,000
Cases against our Group Company		
Criminal Litigations	1	2,85,000
Taxation Matters	8	76,35,000

For further details, please refer the chapter titled "*Outstanding Litigation*" on page 110 of this Draft Letter of Offer.

5. Risk Factors

For details of the risks associated with our Company, ongoing business activities, objects of the Issue and material litigations which may impact our business, please see the section titled "Risk Factors" beginning on page 24 of this Draft Letter of Offer.

6. Summary of Contingent Liabilities

For details of contingent liabilities for the Financial Year 2021-22, please see the section titled "Financial Information" beginning on page 72 of this Draft Letter of Offer.

7. Summary of Related Party Transactions

For further details, please see the section titled "Financial Information"at page 72 of this Draft Letter of Offer.

8. Issue of equity shares made in last one year for consideration other than cash

Our company has not issued any equity shares for consideration other than cash in last one year.

9. Split or consolidation of Equity Shares in the last one year

There has been Sub-division / Split of each existing 1 (One) equity share having face value of Rs. 10/- (Rupees Ten Only) each into new 5 (Five) equity shares having face value of Rs. 2/- (Rupee One Only) each.

10. Our Promoters

The Promoters of our Company are Mr. Bhumishth Narendrabhai Patel and Mrs. Payal Bhumishth Patel.

SECTION [III]: RISK FACTORS

An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Letter of Offer, particularly the ***"Financial Information of the Company"*** *and the related notes,* ***"Our Business"*** *and* ***"Management's Discussion and Analysis of Financial Condition and Results of Operations"*** *on page* 64 *and* 100 *respectively of this Draft Letter of Offer and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or Draft Letter of Offer, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and Draft Letter of Offer.

This Draft Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

Note:

The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Letter of Offer, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in ***"Risk Factors"*** on page 24 *and* ***"Management Discussion and Analysis of Financial Condition and Results of Operations"*** *on page 100 of this Draft Letter of Offer unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Audited Financial Statements, as restated" prepared in accordance with the Indian Accounting Standards*

1. ***We do not have our own manufacturing facility and we have to rely on third parties for procuring pharmaceutical products sold by our Company.***

We are a pharmaceutical company engaged in marketing, trading and distribution of wide range of pharmaceutical formulation products. As on date of *Draft Letter of Offer*, we do not have our own manufacturing facility, and we have

to rely on third parties for manufacturing the formulation products, which are marketed by us under our own brand names. Any decline in the quality of products manufactured by third parties or delay in delivery of products by such parties, may adversely affect our operations. Further there can be no assurance that such parties shall continuously provide their products to us or would not cater to demand of our competitors. Any withdrawal of services from such manufacturers or supply of services to competitors at better rates may adversely affect our result of operations and future prospects.

2. ***If we cannot respond adequately to the increased competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, results of operations and financial condition.***

Our products face competition from products commercialized or under development by competitors in all of our product portfolios. We compete with local companies, multi-national corporations and companies from the rest of world. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected.

Many of our competitors may have greater financial, manufacturing, research and development, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges and stronger sales forces. Our competitors may succeed in developing products that are more effective, more popular or cheaper than any we may develop, which may render our products obsolete or uncompetitive and adversely affect our business and financial results. Also, we face pressure on our margins due to pricing competition from several small and unorganized local players. Presence of more players in the unorganized sector compared to organized ones has resulted in increasingly competitive environment characterized by stiff price competition.

We also operate in a rapidly consolidating industry. The strength of combined companies could affect our competitive position in all of our business areas. Furthermore, if one of our competitors or their customers acquires any of our customers or suppliers, we may lose business from the customer or lose a supplier, which may adversely affect our business, results of operations and financial condition.

3. ***Significant portion of our revenue is generated from few of our key clients. The loss of any such key clients, significant reduction in the demand for our services from such clients or deterioration in their financial condition may adversely affect our business, financial condition, result of operations and cash flows.***

We derive and may continue to derive a significant portion of our revenue from a relatively limited number of clients. During the nine months period ended December 2018 and fiscal year ended 2018, we derived95.51% and 76.64%of our total revenue (including taxes) respectively from our top five clients. Significant dependence on certain clients may increase the potential volatility of our results of operations, if we are unable to expand the volumes of our business with our existing clients, maintain our relationship with our key clients or diversify our client base. Further, any significant reduction in demand for our products from our key clients, any requirement to lower the price offered by these clients, or any loss or financial difficulties caused to these clients, or bad debts of the dues from these clients, or change in relationship with the clients could have a material adverse effect on our business, result of operations, financial conditions and cash flow.

We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change as we strive to add new customers in the normal course of business. While we are constantly striving to increase our customer base and reduce dependence on any particular customer, there is no assurance that we will be able to broaden our customer base in any future periods, or that our business or results of operations will not be adversely affected by a reduction in demand or cessation of our relationship with any of our major customers.

4. ***Being a pharmaceutical company, we operate in a highly regulated and controlled industry environment. Our business is dependent on approvals from relevant regulatory and health authorities. Any delay or failure to obtain or renew such required regulatory approvals, registrations or any change in the regulatory environment in relation to marketing our products in regulated markets may significantly impact our business and strategy affecting our overall profitability.***

Being a pharmaceutical company, we operate in an industry which is highly regulated and controlled. There are stringent and restrictive norms in relation to quality standards. We expect to be or continue to be subject to extensive and increasingly stringent laws and regulations such as The Drugs and Cosmetics Act, 1940,The Drugs and Cosmetics Rules, 1945 etc. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being initiated against us, third party claims or the levy of regulatory fines, which may adversely affect our business, results of operations and financial condition. Further amendments to such statutes may impose additional provisions to be followed by our Company and accordingly our Company may need to discontinue any range of product, incur damages, payment of fines or other penalties, other liabilities and related litigation, which could adversely affect our business, prospects, financial condition and results of operations.

Further, Our Company is yet to apply for registration under Gujarat Shop & Establishment Act, 1948 for our registered office and corporate office situated at Ahmedabad. Any failure to apply for and obtain the required consents and registrations or any cognizance being taken by the concerned authorities for non registration could result in levy of penalties and other legal proceedings which may adversely affect our business, financial condition, results of operations and prospects.

Further, pursuant to conversion into Limited Company, the name of our Company has been changed from "Earum Pharmaceuticals Private Limited" to "Earum Pharmaceuticals Limited" subsequently to which we need to apply for change in name in all our registrations and statutory approvals which are in previous name of our Company. Also, we need to change address in some of our registration certificates pursuant to change in address of Registered Office & Corporate Office of our Company. Any delay or failure to do so could have an adverse effect on our business and results of operations.

For further details, please refer to Chapter titled ***"Government and Other Approvals"*** beginning on page160 of the Draft Letter of Offer.

5. There are certain outstanding legal proceedings filed against Our Company. Any failure to defend these proceedings successfully may have an adverse effect on our business prospects, financial condition and result of ongoing operations and reputation.

Our Company is involved in certain outstanding legal proceedings/matters which if determined, against us could have adverse impact on the business and financial results of our Company. For details kindly refer chapter titled ***"Outstanding Litigation and Material Developments"*** on page 110 and 116 of this Draft Letter of Offer.

For further details of Statutory or legal proceedings involving our Company, please refer to the chapter titled ***"Outstanding Litigation and Material Developments"*** on page 110 and 116 of this Draft Letter of Offer.

6. We could become liable to customers, suffer adverse publicity and incur substantial costs as a result of deficiency in our products, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity.

Any deficiency in the pharmaceutical products marketed by us, could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. We cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our brand, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, brand, or products, including any mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

7. We have not entered into long-term contracts with our majorly customers and typically operate on the basis of purchase orders, which could adversely impact our revenues and profitability.

We generate sales generally by our continuing relationships with our customers as we do not enter in any long-term contract with of customers. Any change in the buying pattern of our end users or disassociation of major customers can adversely affect the business of our Company. The loss of or interruption of work by, a significant customer or a number of significant customers or the inability to procure new orders on a regular basis or at all may have an adverse effect on our revenues, cash flows and operations. Although we believe that we have satisfactory business relations

with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

8. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, including counterfeit or pirated products. For example, certain entities could imitate our brand name, packaging materials or attempt to create look-alike products. As a result, our market share could be reduced due to replacement of demand for our products and adversely affect our goodwill. The proliferation of counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could have an adverse effect on our goodwill and our business, prospects, results of operations and financial condition could suffer.

9. Introduction of alternative pharmaceutical products caused by changes in technology or consumer needs may affect demand for our existing products which may adversely affect our financial results and business prospects.

Our business is affected by change in technology, consumer needs, market perception of brand, convenience, health and safety norms. Our ability to anticipate such changes and to continuously develop and introduce new and enhanced products successfully on a timely basis will be a key factor in our growth and business prospects. There can be no assurance that we will be able to keep pace with the technological advances that may be necessary for us to remain competitive. Further, any substantial change in preference of consumers who are end users of our products will affect our customers businesses and, in turn, will affect the demand for our products. Any failure to forecast and/or meet the changing demands of pharmaceutical businesses and consumer needs may have an adverse effect on our business, profitability and growth prospects.

10. Our Promoter Group Entity is engaged in the line of business similar to our Company. There are no non - compete agreements between our Company and such Promoter Group Entity. We cannot assure that our Promoter will not favour the interests of such entity over our interest or that the said entities will not expand, which may increase our competition and may adversely affect business operations and financial condition of our Company.

Our Promoter Group Entity namely, Auxilia Pharmaceuticals Private Limited and Evoq Remedies Limited are engaged in similar line of business as of our Company. We have not entered into any non compete agreement with the said entity. We cannot assure that our Promoter who has common interest in said entity will not favour the interest of the said entity. As a result, conflicts of interests can arise on account of common suppliers/customers and in allocating business opportunities amongst our Company and our Promoter Group entity in circumstances where our respective interests diverge. In cases of conflict, our Promoter may favour other entity/entities in which our Promoter has interests. There can be no assurance that our Promoter or our Promoter Group entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

11. We are heavily dependent on our Promoters and Key Managerial Personnel for the continued success of our business through their continuing services and strategic guidance and support.

Our success heavily depends upon the continued services of our Key managerial personnel, along with support of our Promoters. We also depend significantly on our Key Managerial Persons for executing our day to day activities. The loss of any of our Promoter and Key Management Personnel, or failure to recruit suitable or comparable replacements, could have an adverse effect on us. The loss of service of the Promoters and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. If we are unable to retain qualified employees at a reasonable cost, we may be unable to execute our growth strategy. For further details of our Directors and key managerial personnel, please refer to Section ***"Our Management"*** on page 68 of this Draft Letter of Offer.

12. Our Promoters, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.

Our Promoters, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement, or loans advanced, lease rent for properties given on rent by them to the Company and personal guarantee, provided by them for the Company, and benefits deriving from the directorship in our Company. Our Promoters are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled ***"Our Business"***, and ***"Annexure W - Related Party Transactions"***, beginning on pages 64, and 72 respectively of this Draft Letter of Offer.

13. We do not own our Registered office and Corporate Office from which we carry out our business activities. Any termination or dispute in relation to these rental agreements may have an adverse effect on our business operations and results thereof.

We do not own the Registered Office and Corporate Office from which we operate. The said offices are taken by us on lease basis. As per the leave & licence agreements, non-payment or default in payment of rentals or violation of any term of rent agreement may require us to vacate the said premises which may cause disruption in our corporate affairs and business and impede our effective operations and thus adversely affect our profit ability. We also cannot assure that lessor will not terminate the rental agreement prior to expiry or at the time of expiry of the agreement, which would require us to locate to another premise and may have an adverse effect on conducting our business operations. For further details regarding the premises, please refer to chapter "Our Business" on page 64 of this Draft Letter of Offer.

14. Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.

Some of our agreements such as leave and licence agreements entered by us for Registered and Corporate Office, vehicle purchase agreement and loan agreement entered in the past with our Directors have irregularities of enforceability, such as non registration and inadequate payment of stamp duty which may affect the evidentiary value of the relevant lease or license agreements in specific performance or other injunctive procedures in a court of law, and could impair our operations. Further, it may result in levy of penal charges, in case cognizance being taken by concerned Authorities. In the event of any dispute arising out of such unstamped and/or unregistered agreements, we may not be able to effectively enforce our rights arising out of such agreements which may have a material adverse impact on our business.

15. We have applied for registration of Our Company's logo EARUM PHARMACEUTICALS LIMITED under Trade Marks Act, 1999, but the same is pending to be registered as on date of Draft Letter of Offer. We may be unable to adequately protect our intellectual property.

We have applied for registration of our logo EARUM PHARMACEUTICALS LIMITED under the Trade Marks Act, 1999 on May 29, 2019, however, the same is not registered as on the date of Draft Letter of Offer. Hence, we do not enjoy the statutory protections accorded to a registered logo. Further, our Company is in use of 4 trademarks which was applied for registration under Trademarks Act, 1999 but the same is abandoned. Also, our Company has applied for registration of 4 new trademarks under the Trade Marks Act, 1999, which are in process of registration. There is no guarantee that the application for registration of our logo will be accepted in favour of the Company. This may affect our ability to protect our trademark in the event of any infringement of our intellectual property. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed.

16. We have issued Equity Shares during the last one year at a price that will be below the Issue Price.

In the preceding 12 months, we have made an allotment of 40,11,345 Equity Shares as bonus issue on April 09, 2019 For details relating to list of allottees, date of allotment etc. please refer to section titled ***"Capital Structure"*** on page 43 of this Draft Letter of Offer.

17. Our operations are subject to high working capital requirements. Our inability to maintain an optimal level of working capital required for our business may impact our operations adversely.

Our business requires significant amount of working capital and major portion of our working capital is utilized towards debtors, and inventories. As on December 31, 2018, we have been sanctioned working capital limit of Rs. 575 lakhs from State Bank of India Limited. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

18. We have entered into certain related-party transactions, and we may continue to do so in the future.

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group. These transactions, inter-alia includes issue of shares, remuneration, rent payments, loans and advances, sales, purchase, reimbursement of expenses etc. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm's length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.
Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

19. Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business.

Our Company has obtained insurance coverage in respect of certain risks which consists of Fire, Earthquake and Burglary on our pharmaceutical formulation stock kept at our warehouse in Ahmedabad. However, we have not taken any insurance for assets located at Registered Office and Corporate Office of our Company. In addition, we have not taken keyman insurance for our Directors or insurance for goods/ cash in transit. If any uncertainty arises including losses arising on account of third party claims or if claim made by us in respect of an insurance, is not accepted or any loss occurred by us is in excess of the insurance coverage, the same may adversely affect our operation, results and financials. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our results of operations and financial condition may be affected. For further information, see the section titled ***"Our Business"*** on page 64 of this Draft Letter of Offer.

20. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations

Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows, general market conditions, economic and political conditions in the markets where we operate and our capacity to service debt. As on December 31, 2018, our total outstanding indebtedness was ₹ 789.24 lakhs.

Our significant indebtedness results in substantial amount of debt service obligations which could lead to:

1. Increasing our vulnerability to general adverse economic, industry and competitive conditions;
2. Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
3. Affecting our credit rating;
4. Limiting our ability to borrow more money both now and in the future; and
5. Increasing our interest expenditure and adversely affecting our profitability.

If the loans are recalled on a short notice, we may be required to arrange for funds to fulfil the necessary requirements. The occurrence of these events may have an adverse effect on our cash flow and financial conditions of the company. For further details regarding our indebtedness, see ***"Statement of Financial Indebtedness"*** on page 72 of this Draft Letter of Offer.

21. We depend on third parties for a major portion of our transportation needs. Any disruptions may affect our operations, business and financial condition.

We do not have an in-house transportation facility and we rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement of products from our suppliers and for transportation of our finished products to our customers. For this purpose, we hire services of transportation companies. However, we have not entered into any definitive agreements with any third party transport service providers and engage them on a needs basis. Additionally, availability of transportation solutions in the markets we operate in is typically fragmented. The cost of our goods carried by such third party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods.

Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost efficient manner. Accordingly, our business is vulnerable to increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lock-outs, accidents, inadequacies in road infrastructure or other events.

Although we have not experienced any disruptions in the past, any prolonged disruption or unavailability of such facilities in a timely manner could result in delays or non-supply or may require us to look for alternative sources which may be cost inefficient, thereby affecting our operations, profitability, reputation and market position.

22. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.

The proposed fund requirement for additional working capital requirement, as detailed in the section titled ***"Objects of the Issue"*** is to be funded from the proceeds of this Right Issue. However, we have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule, and we may have to obtain additional borrowings. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled ***"Objects of the Issue"*** beginning on page 46 of this Draft Letter of Offer.

23. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution.

We intend to use Issue Proceeds towards meeting the Working Capital Requirements. We intend to deploy the Net Issue Proceeds in financial year 2019-20 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled ***"Objects of the Issue"*** beginning on page 46 of this Draft Letter of Offer.

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled 'Objects of the Issue' beginning on page 46 of this Draft Letter of Offer, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the proceeds of this Issue. However, Audit Committee will monitor the utilization of the proceeds of this Issue and prepare the statement for utilization of the proceeds of this Issue.

However, in accordance with Section 27 of the Companies Act, 2013, and relevant provisions of SEBI (ICDR) Regulations, 2018, a company shall not vary the objects of the Issue without our Company being authorize to do so by our shareholders by way of special resolution and other compliances in this regard. Our Promoters and controlling shareholders shall provide exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

24. We are subject to the restrictive covenants of banks in respect of the Loans/ Credit Limits and other banking facilities availed from them.

Our financing arrangements contain restrictive covenants whereby we are required to obtain approval from our lender, regarding, among other things such as major changes in share capital, changes in fixed assets, creation of any other charge, undertake any guarantee obligation etc. There can be no assurance that such consents will be granted or that we will be able to comply with the financial covenants under our financing arrangements. In the event we breach any financial or other covenants contained in any of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

25. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.

Our Company is engaged in business of trading of Pharmaceutical products, which attracts tax liability such as Goods and Service tax, Income tax, and professional tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund. However, we have deposited the required returns under various applicable Acts but any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

26. We may not be able to sustain effective implementation of our business and growth strategy.

The success of our business will largely depend on our ability to effectively implement our business and growth strategy. In the past we have generally been successful in execution of our business but there can be no assurance that we will be able to execute our strategy on time and within the estimated budget in the future. If we are unable to implement our business and growth strategy, this may have an adverse effect on our business, financial condition and results of operations.

27. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also

commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

28. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares.

29. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above `10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

30. Our Promoters and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.

Our promoters along with the promoter group will continue to hold collectively 70.04% of the equity share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the effect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoters will continue to have the ability to take actions that are not in, or may conflict with our interest or the interest of some or all of our minority shareholders, and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

31. We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the Right Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favourable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company‘s Equity Shares and its ability to raise capital through an issue of its

securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

32. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue.The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

33. Investors other than retail (including non institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.

Pursuant to the SEBI (ICDR) Regulations,2018 Investors other than retail (including non institutional investors and Corporate Bodies)are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

34. Certain data mentioned in this Draft Letter of Offer has not been independently verified.

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

EXTERNAL RISK FACTORS

35. Our business is dependent on the Indian economy.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets,

could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

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

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

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

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter ***"Government and Other Approvals"*** on page 117 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

38. Instability in financial markets could materially and adversely affect our results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

40. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in affect in India, transfer of shares between non residents and residents are freely permitted(subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

41. Our performance is linked to the stability of policies and the political situation in India.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies. However there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse affect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

RISKS RELATING TO THE EQUITY SHARES

***42.* Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.**

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

43. **The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI – Rights Issue Circular, the credit of Rights Entitlement and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date (i.e., on or before Friday, April 8, 2022,) to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

44. **The B-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.**

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, a separate web-based application platform, i.e., the B-WAP facility (accessible at www.bigshareonline.com, has been instituted for making an Application in this Issue by resident Investors. Further, B-WAP is only an additional option and not a replacement of the ASBA process. On B-WAP, the eligible resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "**Terms of the Issue – Making of an Application through the Registrar's Web-based Application Platform ("B- WAP") process" on page** [•] of this Letter of Offer**. Such payment gateways and mechanisms are faced with risks such as:**

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, B-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that B-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through B-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the B-WAP facility.

45. **Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.**

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

46. **There is no guarantee that our Equity Shares will be listed in a timely manner or at all, and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.**

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchanges until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the

Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

47. **Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.**

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre- emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre- emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre- emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

48. **There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.**

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India's economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

SECTION –IV INTRODUCTION

This Issue has been authorized through a resolution passed by our Board at its meeting held on 24th January, 2023 pursuant to Section 62(1) (a) of the Companies Act. The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by the information detailed in the chapter titled "Terms of the Issue" on page 124 of this Draft Letter of Offer.

SUMMARY OF THE ISSUE

Equity shares offered through the Issue	24,67,16,400 Equity Shares
Rights Entitlement	Upto 4 (Four) Equity Share for every 1 (One) fully paid-up Equity Share held on the Record Date
Record Date	[•]
Face Value per Equity Shares	Rs. 2/-
Issue Price per Equity Share	Rs. 2/-
Issue Size	Equity Shares of face value of Rs. 2/- each for cash par per Rights Equity Share not exceeding an amount of Rs. 49,34,32,800/-
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari passu* in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	6,16,79,100 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Upto 30,83,95,500 Equity Shares
Scrip Details	**ISIN:** INE060601023 **BSE:** 542724
Terms of the Issue	Please refer to the section titled "*Terms of the Issue*" on page 124 of this draft Letter of Offer
Use of Issue Proceeds	Please refer to the section titled "Objects of the Issue" on page 46 of this draft Letter of Offer.
Fractional Entitlement	For details in relation fractional entitlements, see "Terms of the Issue - Fractional Entitlements" beginning on page 124 of this draft Letter of Offer

Please refer to the chapter titled "*Terms of the Issue*"on page 124 of this Draft Letter of Offer.

GENERAL INFORMATION

Pursuant to the resolution passed by our Board at its meeting held on 24th January, 2023, our Company has been authorized to make the following Rights Issue to the Equity Shareholders of our Company.

Issue of 24,67,16,400 Equity Shares of Rs. 2/- each for cash at par,aggregating of Rs. 49,34,32,800/- (Rupees Fourty Nine Crores Thirty Four Lakhs Thirty TwoThousand Eight Hundred Only) on a rights basis to the existing Equity Shareholders of our Company, in the ratio of 4 (Four) Equity Share for every (1) One Equity Share. The Issue Price is equal to face value of the Equity Share.

For further details, please refer to the chapter titled "Terms of the Issue"on page 124 of this Draft Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

Earum Pharmaceuticals Limited Registered Office Address:
A-1106, Empire Business Hub
Near AUDA Water Tank,
Science City Road, Sola
Ahmedabad - 380 060
Tel: + 079 – 4840 2525,
Fax: N.A.
Email: cs@earumpharma.com
Website: www.earumpharma.com
CIN: L24230GJ2012PLC071299
Registration Number: 071299

BOARD OF DIRECTORS

The following table sets out the current details regarding our Board of Directors as on the date of filing of this Draft Letter of Offer:

Name of the Director	Designation	DIN	Address
Mr. Bhumishth Patel	Non Executive Director - Chairman	02516641	111, Glory Supercity Township, Iscon Temple Road, Kalol, Santej, Gandhinagar – 382721.
Mrs. Payal Patel	Executive – Whole - Time Director	05300011	111, Glory Supercity Township, Iscon Temple Road, Kalol, Santej, Gandhinagar – 382721.
Mr. Sumitkumar Patel	Non Executive - Independent Director	08206567	3/20 Kailashnagar Opp Umiyanagar Asarwa Ahmedabad – 380 016.
Mr. Dahyabhai Patel	Non Executive Director	07061899	3, Gokuldham Society, Dharoi Colony Road Visnagar, Mehesana - 384 315.
Mr. Parimal Patwa	Non-Executive - Independent Director	00093852	2672, Sodagar Ni Pole, Jhaveri pole, Kalupur Ahmedabad - 380 001.
Mr. Harsh Kothari	Non - Executive - Independent Director	09310696	K-102 Avalon Court Yard Ghodasar Char Rasta, Ghodasar, Ahmedabad - 380 050.

For further details of our Board of Directors, see "Our Management"on page 68 of this Draft Letter of Offer.

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the ROC, Ahmedabad, Gujarat which is situated at the following Address:

Registrar of Companies, Gujarat
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop, Naranpura,
Ahmedabad – 380 013, Gujarat
Contact No.: + 079-27438531 **Fax:** +91079-27438371
Email id: roc.ahmedabad@mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mrs. Madhuri Niconkumar Mistry
Address: A-1106, Empire Business Hub Near AUDA Water Tank, Science City Road, Sola Ahmedabad 380 060
Fax: N.A.
Email: cs@earumpharma.com
Investors may contact Compliance Officer or Registrar to the Issue for any pre-issue / post-issue related matters such as non-receipt of letters of allotment / share certificates / refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs for grievances related to ASBA, giving full details such as name, address of the applicant, e-mail id of the first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA account number and the Designated Branch of the SCSBs where the plain paper application was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For further details on the ASBA process, please refer to the section titled "Terms of the Issue" beginning on page 124 of this Draft Letter of Offer.

REGISTRAR TO THE ISSUE

M/s. Bigshare Services Private Limited
Address: A-802, Samudra Complex, Near Klassic Gold Hotel, Off C.G Road, Navrangpura, Ahmedabad – 380 009
Tel: +022-6263820044
Email: bssahd@bigshareonline.com
Website: bssahd@bigshareonline.com
Contact Person: Mr. Ramesh Nair
SEBI Registration No: INR000001385

STATUTORY AUDITORS OF OUR COMPANY

M/S. J M PATEL & BROS
Chartered Accountants
204, Harsh Avenue Navjivan Press Road, Nr. Old High Court Crossing, Ahmedabad – 380 014
Contact No.: +079 27541460
Email: jmpatelca@yahoo.co.in
Contact Person: Mr. Jaswant M Patel
Membership Number: 030161
Firm Registration No.: 107707W

BANKERS TO THE ISSUE

IndusInd Bank
Address: [•]
Tel No: +91[•]
FaxNo: [•]
Email: [•]
Website: [•]
Contact Persons: [•]

Experts

Except for the reports of the Auditor of our Company on the audited Financial Information and Statement of Tax Benefits, included in the draft Letter of Offer, our Company has not obtained any expert opinions.

Self-Certified Syndicate Bankers

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

For further details on the ASBA process, please refer to the details given in ASBA form and also please refer to the chapter titled "Terms of the Issue" starting on page 124 of this Draft Letter of Offer.

Investor grievances

Investors may contact the Compliance Officer for any pre-issue/ post-issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or Compliance Officer for any pre-issue or post-issue related problems such as non-receipt of Abridged Letter of Offer / Application Form and Rights Entitlement Letter / Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

Credit Rating

This being an Issue of equity shares, no credit rating is required.

Statement of inter se allocation of Responsibilities for the Issue

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required,) and hence there is no inter-se allocation of responsibilities.

Trustees

This being an issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

As the issue size is below Rs.100 Crores, no monitoring agency has been appointed.

Underwriting

Our Company has not entered into any underwriting / stand by agreement.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any bank or financial institution.

Minimum Subscription

Mr. Bhumishth Patel, our Promoter, on behalf of the Promoter and Promoter Group has vide letter dated 24th January, 2023 confirmed that all the members of the Promoter Group intend to fully subscribe, jointly and / or severally, to their Rights Entitlements and reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters may also apply for additional Equity Shares in the Issue. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

Changes in Auditors during the last three years

M/s. J. M. Patel & Bros., Chartered Accountants (FRN: 107707W) have been appointed as the Statutory Auditors of the Company for the Financial Year 2019-20 to Financial Year 2022-23 at a remuneration to be decided by any Director of the Company in consultation with the Audit Committee and Auditor, in addition to reimbursement of all out-of-pocket expenses as may be incurred by them for the purpose of audit.

Issue Schedule

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]
Last Date for On Market Renunciation#	[•]
Issue Closing Date*	[•]
Finalisation of Basis of Allotments (on or about)	[•]
Date of Allotments (on or about)	[•]
Date of Credit (on or about)	[•]
Date of listing (on or about)	[•]

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights entitlement are credited to the demat account of the Renounces on or prior to the Issue Closing Date.
**Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30(Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Filing

SEBI vide its circular bearing number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 has granted certain relaxations with respect to rights issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from ten crores to fifty crores. Since the size of this Issue falls below the threshold, the Draft Letter of Offer will not be filed with SEBI. The Draft Letter of Offer will be filed with the stock exchange and submitted with SEBI for information and dissemination.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Letter of Offer, is set forth below:

(Amount in Rs. except share data)

	Particulars	Aggregate value at Face Value	Aggregate value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	31,17,50,000 Equity Shares of face value of Rs. 2/- each[1]	62,35,00,000	--
B	**ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL BEFORE THE ISSUE**		
	6,16,79,100 Equity Shares of face value of Rs. 2/- each	12,33,58,200	12,33,58,200
C	**PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER[1]**		
	24,67,16,400 Rights Equity Shares at an Issue Price of Rs. 2/- per Rights Equity Share	49,34,32,800	49,34,32,800
D	**ISSUED SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE[2]**		
	30,83,95,500 Equity Shares of Rs. 2/- each fully paid-up	61,67,91,000	61,67,91,000
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		21,653,606
	After the Offer		21,653,606

[1] Increse in Authorised Share Capital is proposed to shareholders in EGM to be held on Saturday, 4th February, 2023.

[2] The Issue has been authorized by a resolution of our Board passed at its meeting held on 24th January, 2023 pursuant to Section 62 of the Companies Act, 2013 and other applicable provisions.

[3] Assuming full subscription for and allotment of the Rights Entitlements.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.

3. All the Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares outstanding as on the date of this Letter of Offer. For further details on the terms of the Issue, please see the chapter titled "Terms of the Issue" on page 124 of this Draft Letter of Offer.

1. **Shareholding of Promoter and Promoter Group:**

The details of Equity Shares held by the Promoter and Promoter Group including the details of lock-in, pledge and encumbrance on such Equity Shares as on 31st December, 2022 are set forth below:

Sr. No.	Name of the Promoter & Promoter Group	Numberof fully paid-up Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Details of Equity Shares pledged / encumber		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total shareshield	No. of EquityShares	% of totalshares held
1.	Bhumishth Narendrabhai Patel	-	-	-	-	-	-
2	Payal Bhumishth Patel	-	-	-	-	-	-
3.	Mr. Narendrakumar Gangaramdas Patel	-	-	-	-	-	-
4.	Ms. Sushilaben Narendrakumar Patel	-	-	-	-	-	-
5.	M/s. Auxilia Pharmaceuticals Private Limited.	140	0.00	-	-	-	-
	Total	**140**	**0.00**	-	-	-	-

None of the Equity Shares held by our Promoter and Promoter Group are pledged with any bank or institution, or otherwise encumbered.

2. **Details of Equity Shares acquired by Promoter or Promoter Group in the last one year**

None of the Equity Shares are acquired by our Promoter and Promoter Group in the last one year.

3. **Intention and extent of participation in the Issue by the Promoter and Promoter Group**

The Promoters vide their letters dated 24th January, 2023 have undertaken to fully subscribe for their Rights Entitlement in the Issue. The Promoters reserve the right to subscribe to their Entitlement in the Issue by subscribing for renunciation if any made in their favour. The Promoters may also apply for additional Equity Shares in the Issue. As a result of this subscription and consequent allotment, the Promoters may acquire shares over and above their entitlement in the Issue, which may result in an increase of their shareholding above the current shareholding with the entitlement of Equity Shares under the Issue. This subscription and acquisition of additional Equity Shares by thePromoters, if any, shall be made in compliance with the applicable provisions of the SEBI SAST Regulations. Allotment to the Promoters of any unsubscribed portion, over and above their entitlement shall be done in compliance with SEBI LODR Regulations and other applicable laws prevailing at that time relating to continuous listing requirements. In the event of renouncement by any promoter and / or member of the promoter group of the Issuer Company, other than renunciation within the promoters / promoter group, the promoters and the promoter group shall not be eligible for exemption available under Regulation 10(4)(b) of the SEBI SAST Regulations, 2011.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

4. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is [●].

5. At any given time, there shall be only one denomination of the Equity Shares.

6. The details of the promoter and promoter group shareholders holding of the Company as on 31st December, 2022 are as under:

Sr. No.	Name of Promoters and Promoter Group	No. of Equity Shares held	% of total share capital
1.	Mr. Bhumishth Patel	-	-
2.	Ms. Payal Patel	-	-
3.	Mr. Narendrakumar Gangaramdas Patel	-	-
4.	Ms. Sushilaben Narendrakumar Patel	-	-
5.	M/s. Auxilia Pharmaceuticals Private Limited	140	0.00
	Total	**140**	**0.00**

7. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:

- Shareholding Pattern of the Equity Shares of our Company as per the last filing with the Stock Exchange, i.e., as on 31st December, 2022 is available on the website of BSE www.bseindia.com/stock-share-price/earum-pharmaceuticals-ltd/earum/542724/shareholding-pattern/

- Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on 31st December, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=542724&qtrid=116.00&QtrName=December%202022

- The statement showing holding of Equity Shares belonging to the category "Public" including the details of lock-in, pledge of and encumbrance thereon as on 31st December, 2022, can be accessed on the BSE website at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=542724&qtrid=116.00&QtrName=December%20202

- Statement showing shareholding pattern of the Non Promoter - Non Public shareholder of our Company as on 31st December, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=542724&qtrid=116.00&QtrName=December%202022

SECTION – V

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

We intend to utilize the gross proceeds raised through the Issue (the "**Gross Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the following objects (collectively, referred to as the "**Objects**"):

1. In Working Capital Requirements;
2. Repayment of Loan
3. General Corporate Purposes.

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

Details of gross proceeds and its utilization are as under:

Sr. No.	Particulars	Amount (In lakh)
(A)	Gross proceeds of the Rights Issue**	4934.33
	Less: Expenses of the Issue (approx.)	150.00
	Net proceeds of the Rights Issue	**4784.33**
(B)	Utilization of the net proceeds of the Rights Issue	
	(a) Towards Working Capital Requirements	2863.00
	(b) Repayment of Loan	688.00
	(c) General Corporate Purpose	1233.33
	Total Net Proceeds**	**4784.33**

The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

***Assuming full subscription and Allotment with respect to the Right Equity shares.*

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised to be issue.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

Details of the Objects:

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company. We intend to meet our working capital requirements to the extent of Rs. 2863.00 Lakhs from the Net Proceeds of this proposed right and the balance will be met from internal accruals and/or borrowings at an appropriate time as per the requirement.

Issue Expenses:

The Issue related expenses consist of fees payable to the Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately Rs.150 Lakhs towards these expenses, a break-up of the same is as follows:-

Sr. No.	Activity	Estimated Amount (in Lakhs)	% of Total Expenses	As a % of Issue Size
1.	Fees payable to the intermediaries (including legal adviser fees, Legal Counsel fees, selling commission, registrar fees and expenses)	[•]	[•]	[•]
2.	Expenses relating to Advertising, printing, distribution, marketing and stationery expenses	[•]	[•]	[•]
3.	Statutory and other Miscellaneous Expenses)	[•]	[•]	[•]
	Total	[•]	[•]	[•]

2. Repayment of Loan

Our Company has entered into various financing arrangements with banks. Arrangements entered into by our Company include borrowings in the form of secured loans and term loans. As on date of Draft Letter of Offer, the amounts outstanding with State Bank of India is Rs. 688 Lakhs.

Our Company intends to utilize Rs. 688 Lakhs of Net Proceeds of the Issue towards full repayment borrowings availed by our Company. We believe that such repayment will help reduce the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition, we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

3. General Corporate Purpose

We intend to deploy Rs. 1233.33 Lakhs from gross proceeds of the Rights Issue towards General Corporate Purposes. The General Corporate Purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds ear marked for general corporate purposes. However, not more than 25% of the gross proceeds of the issue would be deployed for the General Corporate Purposes.

Monitoring Agency

As the issue size is below Rs. 100 Crores, no monitoring agency has been appointed.

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the

Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

Key Industry Regulations for the proposed objects of the issue

Our Company is complied with all applicable local law and Key Industry Regulations is not applicable

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
Board of Directors
Earum Pharmaceuticals Limited
A-1106, Empire Business Hub
Near AUDA Water Tank, Science City Road,
Sola Ahmedabad - 380 060

Dear Sirs,

Re: Statement of Special Possible Tax Benefits available to Eraum Pharmaceutical Limited and its shareholders.

We report that the enclosed statement in the Annexures, states the possible special tax benefits under direct and in direct tax laws and Income tax Rules, 1962 including amendments made by the Finance Act, 2021 and the Taxation Laws (Amendment) Act, 2019 (hereinafter referred to as 'Income Tax Laws'), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975, as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the Act. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

The benefits discussed in the enclosed Annexures are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. Neither we are suggesting nor advising the investor to invest in the Offer, based on this statement.

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

(i) The Company or its shareholders will continue to obtain these benefits in future; or
(ii) The conditions prescribed for availing the benefits have been / would be met with.

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

Yours faithfully,

For J M Patel & Bros..,
Chartered Accountants
Sd/-
Jashwant M Patel Partner
FRN: 107707W
Membership No.: 030161
UDIN: 23030161BGRRCG2251
Place: Ahmedabad
Date: 24th January, 2023

ANNEXURE 1
STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO EARUM PHARMACEUTICALS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

I. UNDER THE INCOME – TAX ACT, 1961 (hereinafter referred to as the 'Act')

1. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Act

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

Notes:

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
c) The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.
d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.
e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
f) No assurance is given that the revenue authorities / courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2
STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TOEARUM PHARMACEUTICALS LIMITED (THE"COMPANY") AND ITS SHAREHOLDERS

II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ("GST Act"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act") (collectively referred to as "indirect tax")

1. Special indirect tax benefits available to the Company under the Act

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

2. Special indirect tax benefits available to the shareholders under the Act

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the Shares of the Company.

Notes:

a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.
c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his / her own tax advisor with respect to specific tax consequences of his / her investment in the shares of the Company.

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

SECTION VI - ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. The information in this section must be read in conjunction with the sections titled "Risk Factors" and "Our Business" beginning on pages 24 and 64, respectively of this Draft Letter of Offer.

OVERVIEW OF GLOBAL ECONOMY

The pharmaceutical industry in India has experienced significant growth in recent years. India is now one of the world's leading producers of generic drugs and a major exporter of pharmaceutical products. The country has a large pool of scientists and engineers, as well as a strong tradition of innovation in the pharmaceutical field. Additionally, the Indian government has implemented policies to support the growth of the industry, such as providing tax incentives and investing in research and development. However, the industry also faces challenges, such as regulatory hurdles and intellectual property concerns. According to data from the Indian Pharmaceutical Alliance, the Indian pharmaceutical industry is valued at around $40 billion and is expected to grow at a CAGR (compound annual growth rate) of around 8-9% in the next five years. In 2019, India was the third largest producer of pharmaceuticals in terms of volume and the 13th largest in terms of value. The country exported pharmaceutical products worth $19 billion in 2020-21. The United States, China, Brazil, Russia, and South Africa are the top 5 countries importing pharmaceutical products from India.

The Indian pharmaceutical industry employs around 4 million people directly and indirectly. The sector includes around 20,000 manufacturing units and more than 50,000 marketing companies. The majority of these units are small and medium-sized enterprises. The Indian government has also been focusing on the development of the biopharmaceutical sector in the country. The sector is expected to grow at a CAGR of 22% and reach $100 billion by 2025. Overall, the Indian pharmaceutical industry has a strong potential for growth in the future, driven by factors such as a large domestic market, a growing middle class, and a strong focus on research and development.

Macroeconomic Assessment

Global GDP Review and Outlook

While global gross domestic product (GDP) declined sharply in 2020 owing to the COVID-19 pandemic, it is expected to rebound strongly by the end of calendar year 2021 on account of policy support and the vaccination drive Global prospects remain highly uncertain one year into the pandemic. Amid exceptional uncertainty, the global economy is projected to grow 4.9% in 2022. The outlook depends not just on the virus spread and vaccination drive to contain it, but it also hinges on how effectively economic policies can limit lasting damage from this unprecedented crisis.

Review of Global Per Capita GDP

India's per capita GDP growing at approximately 3x global per capita GDP growth rate Global GDP per capita grew at 1.7% CAGR between the calendar years 2013 and 2019, as per World Bank data. During the period, year-on-year global GDP per capita rose 1.4-2.1%. Meanwhile, India's corresponding figure clocked approximately 5.7% CAGR between 2013 and 2019, approximately 3 times faster than the globalnumber.

Global and Indian per capita GDP growth at constant 2010 dollar (2013-19)

	2013	2014	2015	2016	2017	2018	2019	CAGR
Per capita GDP – Global (constant 2010 $)	10,010	10,175	10,347	10,493	10,713	10,919	11,070	1.7%
On-year growth (%)		1.6%	1.7%	1.4%	2.1%	1.9%	1.4%	
Per capita GDP – India (constant 2010 $)	1,545	1,640	1,752	1,876	1,987	2,086	2,151	5.7%
On-year growth (%)		6.2%	6.8%	7.1%	5.9%	5.0%	4.0%	

Source: World Bank, CRISIL Research

Note: 2019 is latest available year.

Macro-Economic Assessment of India

A Review of India's GDP Growth

Economy contracted 7.3% in the financial year 2021

India GDP contracted 7.3% (in real terms) last financial year, after growing 4.0% in the financial year 2020. The gains made by the economy in the fourth quarter of the financial year 2021 seem to have fizzled out in the first quarter of the financial year 2022 because of the fierce second wave of COVID-19, leading to localized lockdowns in most states. At the same time, monetary policy has begun normalizing, and some tightness in domestic financial conditions is inevitable. Against this backdrop, policy support remains critical, apart from action in the external environment.

Key Fiscal Measures Announced by the Centre to DealWith the Pandemic Impact

To mitigate the pandemic's negative impact on the economy, the Central government has announced a ₹20.9 trillion package, amounting to 10% of the country's nominal GDP. The package is a mix of fiscal and monetary measures (to revive growth in the short term) and reforms (to boost long-term economic prospects). Liquidity support has been a major part of India's response so far. Globally, too, liquidity measures have played a lead role in policy response. The immediate fiscal cost to be borne by the government would be approximately ₹2.6 trillion, or 1.2% of nominal GDP. Further, execution of the government's measures to revive the economy and pace of implementation of the announced reforms are key monitorables.

Review of Private Final Consumption Growth in India

Private final consumption expenditure to maintain dominant share in GDP

Private final consumption expenditure (PFCE) at constant prices clocked 6.8% CAGR between the financial years 2012 and 2020, maintaining its dominant share in the GDP pie, at approximately 57% or ₹83.3 trillion.

Within the consumption basket, health expenses rose at 9.7% CAGR between the financial years 2012 and 2020, compared with overall PFCE, which increased annually by 6.8%. As income levels improve and, consequently, discretionary spending increases, CRISIL Research expects the healthcare industry to gain.

Trend of healthcare in PFCE

Particulars (at constant prices)	FY12	FY17	FY18	FY19	FY20	CAGR FY12-FY20
Total PFCE *(₹ in billions)*	49,104	69,002	73,307	78,844	83,217	6.8%
Health PFCE	1,813	3,085	3,218	3,472	3,800	9.7%

Source: Second advance estimates of national income 2020-21, MoSPI, CRISIL Research

As of 2018, India's healthcare spending as a percentage of GDP trails not just developed countries, such as the United States and the United Kingdom, but also developing countries such as Brazil, Nepal, Vietnam, Singapore, Sri Lanka, Malaysia, and Thailand.

India's current healthcare expenditure has decreased over 2013-18. India spending on healthcare is very low and almost 65% is out-of-pocket expenditure by the public. The low healthcare expenditure is primarily due to under-penetration of healthcare services and lower consumer spending on healthcare.

Further, India's public spending on healthcare services remains much lower than its global peers. For example, India's per-capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing power parity) was only $73 in 2018 versus the US's $10,624, the UK's $4,315 and Singapore's $2,824.

The government of India plans to increase its healthcare spending (Public healthcare spending) to 2.5-3.0% by 2025. Pharmaceutical spends form 15-20% of healthcare expenditure on pharmaceutical expenses, but the per capita actual spend on pharmaceutical expenses is drastically below global average.

Assessment of Overall Pharmaceutical Market

Overview of Global Pharmaceutical Market

Global pharmaceutical market to grow at steady approximately 5% CAGR from 2020 to 2026

Global pharmaceutical market has grown by around 4.5-5% CAGR from approximately US$1,090 billion in the calendar year 2016 to approximately US$1,270 billion in the calendar year 2020. It is expected to sustain this growth over the next five years to reach approximately US$1,650-1,700 billion in the calendar year 2026. New product launches, population aging and sedentary lifestyles leading to increased chronic disease prevalence, technological advances, new methods for drug discovery, and an increase in pharmaceutical drug usage have been some of the key growth drivers for the industry.

Oncology drugs contributes to larger share of the pharma market

Oncology is the largest therapy area in pharmaceutical market by value with close to 16% share in pharmaceutical sales in 2019. It is one of the more expensive areas to develop new therapeutic drugs. Around 40% of R&D spend in pharma sector goes into oncology segment. The growth of oncology sales can be partly attributed to the growth of the immune-oncology sub-segment. Oncology, Anti-rheumatics and anti-diabetic have been the fastest growing therapeutic segments in the last five years. Rising incidence of diabetes aided growth in the anti-diabetics segment.

Incidence of chronic diseases

Incidence and prevalence of chronic diseases are increasing rapidly all around the world. Rising incidences of diseases, such as cancer, cardiovascular diseases, obesity, and diabetes, are primarily observed and have a significant impact on the economy of the country, which is likely to drive the demand for pharmaceuticals. According to the Organization for Economic Co-operation and Development's (OECD's) Health at a Glance, the 2019 report, almost one third of people aged 15 years and over reported living with two or more chronic conditions. Cardiovascular diseases are found to be most prevalent across the world, and are the leading causes of death.

Better access to medicine in emerging markets

The gap in average medicine usage between developed markets and emerging markets is closing, owing to reasons like increased per capita income, improvement in healthcare infrastructure, and increase in insurance coverage. The rise of government safety nets and private insurance is one key factor that will increase volume usage across emerging markets. The extent and pace of investments, both public and private, will be a key determinant of continued increases in usage.

Significant R&D spends to continue to boost pharmaceutical growth across major markets like the United States and Europe

Increasing R&D expenditure by global players is expected to lead to development of innovative and specialty medicines in the treatment of various diseases. The entire U.S. biopharmaceutical and pharmaceutical industry invested an estimated approximately US$83 billion in research and development (R&D) in the calendar year 2019 which was approximately 4.5% higher compared to the calendar year 2018. Similarly, as per the European Federation of Pharmaceutical Industries and Association (EFPIA), in Europe, the pharmaceutical research & development investment was around approximately Euro 36.5 billion in the calendar year 2018 compared to approximately Euro 35.3 billion in the calendar year 2017.

Strong development of generics market

Developed economies spend a major portion of their gross domestic product (GDP) on healthcare. Going forward, demand for pharma products in developed markets is expected to be driven by factors such as an ageing population and growing incidences of chronic diseases. However, austerity measures adopted in Europe will continue to drive demand for generic drugs and pricing realizations may not be as favorable as in the past. On the other hand, healthcare reforms in the United States are driving higher insurance coverage and greater usage of generic medicines.

Patent cliff and traction in regulated market for biosimilars expected to aid the global pharmaceutical market growth

Many patented biopharmaceuticals are set to expire over the next 5-10 years in the United States and Europe. Further, even among the drugs where patents have already expired, the penetration of biosimilar is very low due to regulatory challenges and difficult procedural requirements of all-phase clinical trials. In core pharmaceuticals, all-phase clinical trials are not required for generic launches. These expiries will present a lucrative opportunity for biologics players to launch biosimilar versions in regulated markets.

Overview of Recent Trends in the Industry

Pharmaceutical players building complex generics and specialty molecules portfolio

A complex generic is a generic that could have a complex active ingredient, complex formulation, complex route of delivery, or complex drug device combinations. Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions such as cancer, rheumatoid arthritis, and multiple sclerosis. They can be used in rare or orphan disease indications. It may have unique storage or shipment requirements and might require additional patient education, adherence, and support beyond traditional dispensing activities.

With declining opportunity in the conventional generics segment and pricing pressures on the existing portfolios, it has become important for generic players to look at high-value and high-margin drugs. Players have been developing niche products in order to weather the impact of pricing pressure.

Biologics present huge opportunity during 2020-2025

Biologics share in total patent expiries by value is expected to be higher in next five years, signifying a tremendous opportunity for players. Many of the top players have already started moving towards biosimilar.

Europe and Canada Market

Review and outlook on market size

Europe market is expected to grow at a moderate rate of approximately 4-4.5% CAGR from 2020 to 2026.

The major factors contributing to growth of this market is the growing demand for generics as well as faste approvals for biologics and biosimilars which presents a great potential in the global pharmaceutical market.

Key growth drivers for the market

Higher spend of healthcare is one of the key driving factors for regulated markets like Europe and Canada

Spend on healthcare in the regulated markets like Europe and Canada is among the highest globally. The share of GDP on total healthcare spend in European countries like Germany and France is one of the highest in the world. As of 2018, Germany spent 11.4% of the GDP on healthcare expenditure while France spent 11.3% of the GDP on the healthcare expenditure. The well-developed pharmaceutical markets in Europe and Canada is one of the major driving factors for the growth of the pharmaceutical sector in these markets which are characterized by well-established healthcare infrastructure, high level of healthcare awareness and a well
established regulatory framework.

Development of generics market is one of the key growth drivers for the Europe and Canada markets

The European generic drugs market (primarily Germany, the UK, France, Italy and Spain) is the second-largest regulated market for generic drugs. Increasing penetration of generic drugs will continue to drive volume growth in the Europe and Canada pharmaceutical markets. Further, lower generic penetration in nations such as Belgium (16.6%), the UK (27%), France (19%) and Germany (31.2%) indicates tremendous untapped potential for growth of generics. Further, the pro-generic stance of governments in Europe will boost demand for generic drugs in the European pharmaceutical market. Generic molecules (Generic chemical molecules and biosimilar) in Europe and Canada has seen higher growth rate in the past year than the conventional molecules.

Speeding up of biosimilars approval is expected to give boost to the biologics and biosimilar market

The European market has been at the forefront of approving biosimilars at a quick pace, thereby reducing healthcare costs for the consumer as well as the government. The first biosimilar was launched in the European market in 2007, as compared with 2015 in the U.S. market. About 40 biosimilar drugs have been launched in the European market.

Recent Trends in ROW Market

Vertically integrated players with differentiated portfolio can have advantage in developing and emerging markets

Raw materials which are active pharmaceutical ingredients (APIs) or bulk drugs are one of the major cost component in the pharmaceutical drugs manufacturing. Players with vertical integration may benefit in such environments as they have the required raw materials available internally for manufacturing finished dosage forms. Vertically integrated players may also benefit from supply chain simplicity and are better placed for supply chain management. Also, the players with

differentiated portfolio may gain an advantage as the ability to provide differentiated portfolio with in-house sourcing of raw materials will be a key proposition in these developing and emerging markets.

Anti-Retroviral (ARV) Drug Market

Review and outlook on market size

ARV drugs which are drugs used to treat HIV-infection. These medicines are also called as ARV therapy (ART). HIV is treated with ARV medicines which work by stopping the virus from replicating in the body. This allows the immune system to repair itself and prevent further damage. A combination of HIV drugs is used because HIV can quickly adapt and become resistant. Some HIV treatments have been combined into a single pill, known as a fixed dose combination, although these often cost more to prescribe.

Importance of vertical integration and key success factors in ARV segment

In ARV segment, the supply of ARV drugs is done through global tenders issued by global agencies like Global Fund, U.S. President's Emergency Plan for AIDS Relief (PEPFAR) and governments of respective countries. In key markets like USA and Africa, to compete in these tenders, manufacturers need to be very price competitive as well as should have reliable sourcing channels and manufacturing expertise.

Being vertically intergraded for ARV players can provide significant cost advantage especially in the ARV drug segment. ARV manufactures can move both downstream into formulations to improve margins, and upstream into intermediates to cut dependence on single source API providers like China, and ensure reliability of supplies.

Growing shift towards dolutegravir

Dolutegravir, which received FDA approval in 2013, is a second-generation integrase inhibitor that appears to have a high barrier to the development of HIV drug resistance. In clinical trials, dolutegravir was effective both for people living with HIV who had not previously taken HIV therapy and for people who were treatment experienced, including those for whom first-generation integrase inhibitors were ineffective. Additional advantages of dolutegravir include convenient once-daily dosing, a good safety profile, and a relatively low production cost. Dolutegravir now is included in two of the first-line regimens that the U.S. Department of Health and Human Services medical practice guidelines recommend for adults with HIV, and it was recently added to World Health Organization guidelines as an alternative first-line agent for adults.

Second Line of treatment in ARV segment

For patients who failed first-line therapy, it may be necessary to transfer to second-line therapy in order to suppress HIV viral loads. The cost of second-line drugs is generally higher than that of first-line drugs and it is expected that the absolute number of patients on second-line ART will increase over time.

Players operating in second line treatment may be able to achieve higher margins with specialized single pill treatment with research and development in the second line of treatment and making a suitable pricing strategy according to markets they are distributing to. Also, the international guidelines on ARV therapy such as WHO guidelines on first and second line of treatment shapes the demand and uptake in the ARV market. Traditionally newer ARV particularly in the second line of treatment evolve slowly and are less competitive than the first line of treatment.

The pricing in second line of treatment becomes critical component for players to achieve optimum profitability. Developing regions have generic versions of medicines while in developed nations the price is a function of patents and licenses. Therefore, players operating in this segment can achieve good margins with expertise in research and development and optimal pricing strategy.

Indian Domestic Pharmaceutical Market

Review and Outlook on Indian Domestic Formulations market

The Indian domestic formulations market (consumption) grew at a healthy rate at 7% CAGR over the last three years from the financial year 2018 to the financial year 2021. Domestic Formulations segment is expected to grow at approximately 9-11% CAGR over the next six years from the financial year 2020 to the financial year 2026 driven by strong demand in generic segment. The domestic formulations demand is expected to reach ₹2.6-2.7 trillion by fiscal 2026.

Some of the key growth drivers for the Indian Pharmaceutical industry are the increasing prevalence of non communicable diseases like cardiovascular disease, stroke, cancer, diabetes and chronic lung diseases. Also a growing population and, in turn, growing demand for medicine generally, with India expected to become one of the leading countries in the world in terms of spending on medicine over the next few years will fuel the growth of the Indian pharmaceutical market. Along

with these factors, favorable initiatives and schemes from the Government of India to encourage companies to manufacture ingredients domestically (PLI scheme) will support the growth of the domestic pharmaceutical industry.

Growth in chronic segment to continue to boost growth in medium term

Rising prevalence of chronic diseases is likely to aid growth in the chronic segment in medium to long term. Further, the rise in the anti-diabetic and cardiac segments would support growth of the domestic industry. Over the periodunder consideration, chronic therapeutic segments are expected to see a higher growth compared to acute therapeutic segment; while chronic segment is projected to grow at 12-13% CAGR, the acute segment is projected to grow at 8-8.5% CAGR between the financial year 2020 and the financial year 2026.

As of the financial year 2021, anti-diabetic and cardiac were the largest chronic therapeutic segments catered by the Indian formulations industry, accounting for nearly 1/4th of the market share. By the financial year 2026, these two will continue to remain the largest segments in the Indian domestic formulation market. In the acute segment anti-infectives, gastro-intestinal and nutraceuticals are some of largest therapeutic areas catered in the Indian domestic formulation market in the acute therapy class. Gynecology has also seen the traction in recent years as rise in alertness regarding well-being and health in the Indian female population has resulted in a rise in the demand for improved gynecological therapies.

Segmentation of Indian Domestic formulation market based on key therapies (percentage share)

Therapy Name	**FY17**	**FY21**	**FY26P**	**CAGR (FY17 to FY21)**	**CAGR (FY21 to FY26P)**
Vitamins/Minerals/ Nutrients	9%	9%	10%	7.2%	13.4%
Respiratory	7%	7%	8%	4.5%	15.2%
Gastro Intestinal	11%	11%	12%	6.3%	13.8%
Anti-Infectives	14%	12%	11%	2.2%	10.4%
Neuro / CNS	6%	6%	7%	6.9%	14.0%
Gynaecological	5%	5%	5%	4.0%	12.5%
Cardiac	12%	14%	14%	10.2%	13.4%
Anti-Diabetic	9%	10%	12%	11.0%	16.0%
Others	26%	26%	22%	6.0%	8.4%
Total Indian domestic formulation market *(₹ in billions)*	**1,148**	**1,475**	**approx. 2,635**	**6.47%**	**approx. 12-13%**

Source: AIOCD AWACS, CRISIL Research
Note: Others include anti-malarials, anti-neoplastics, blood related, derma, HIV antivirals, hormones, opthal/otologicals, others, pain/analgesics, sex stimulants/rejuvenators, stomatologicals, urology, vaccines.
P: Projected

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe doubledigit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade, and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations—particularly in low-income countries— most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the postpandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere.

Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update.
Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026. Scarring effects are expected to be much larger in emergingmarket and developing economies than in advanced economies—reflecting more limited policy support and generally slower vaccination—with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate—including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-thananticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

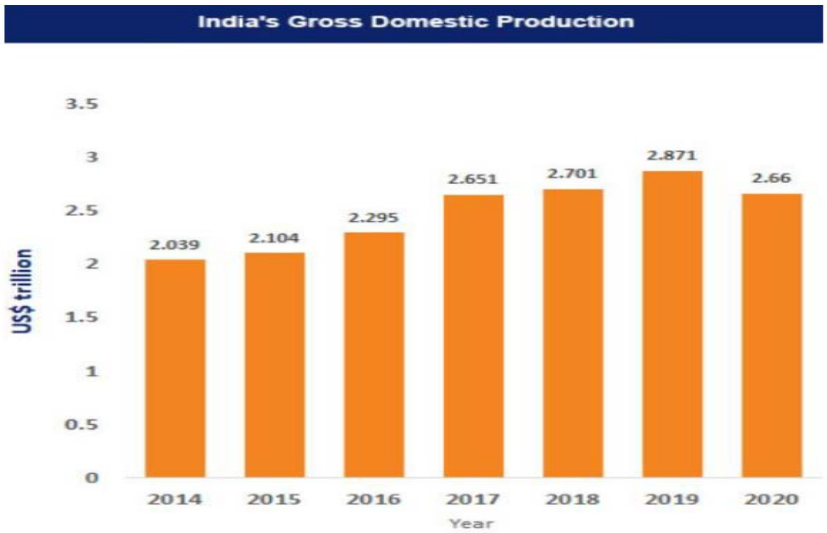
Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labor supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances—including those stemming from the war—and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated—raising interest rates and exposing debt vulnerabilities, particularly in emerging markets.

INDIAN ECONOMY OVERVIEW:

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market Size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at ₹ 232.15 trillion (US$ 3.12 trillion) in FY22.
- India is the third-largest unicorn base in the world with over 100 unicorns with a total valuation of US$ 332.7 billion.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.



Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the Economy. The private equity - venture capital (PE-VC) sector recorded investments worth US$ 5.8 billion across 117 deals in February 2022, 24% higher than in January 2022. Some of the important recent developments in the Indian economy are as follows:

- India's merchandise exports were at an all-time high of US$ 417.81 billion in FY22. In April 2022, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 54.7.
- The gross Goods and Services Tax (GST) revenue collection hit an all-time high of ₹ 1.68 trillion (US$ 21.73 billion) in April 2022. This is a 20% increase over the previous year.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US$ 572.80 billion between April 2000 to December 2021.
- India's Index of Industrial Production (IIP) for January 2022 stood at 138.4 against 136.6 for January 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 2.9% in 2021-22 (April-December) against 9.1% in the corresponding period last year.
- Consumer Price Index (CPI) – Combined inflation was 5.20% in 2021-2022 (April-December) against 6.6% in 2020-21
- Foreign portfolio investors (FPIs) invested ₹50,009 crore (US$ 6.68 billion) in the Calendar year 2021.
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of ₹ 2.37 lakh crore (US$ 31.74 billion) to their accounts.

THE INDIAN PHARMACEUTICAL INDUSTRY: AN OVERVIEW

The Indian pharmaceutical industry has contributed immensely not just to Indian but to global healthcare outcomes. India continues to play a material role in manufacturing various critical, high - quality and low - cost medicines for Indian and global markets. It supplies 50 to 60 percent of global demand for many vaccines (including ARVs), 40 percent of generics consumed in the US and 25 percent of all the medicines dispensed in the UK. Over the last 5 years, 35 to 38 percent of total ANDAs approved (including 25 to 30 percent of total injectable ANDAs) have been filed from Indian sites. Affordable anti-retroviral (ARV) drugs from India were a major factor in AIDS patients getting greater access to treatment. India supplies 60 percent of global ARV drugs and 30 percent of the annual UNICEF requirement.

However, over the last few quarters many Indian pharmaceutical companies (like other global peers) have registered much lower growth and profitability. Many have experienced significant value erosion, which to a large extent has posed a hindrance to industry's capacity expansion and R&D plans.

Even in these circumstances, the industry has grown in value with an average annual growth rate of ~ 6-7 percent over the last 5 years. This has been driven by the following enabling factors:

- **Increasing demand in global markets:** Generic penetration in high value healthcare markets (e.g., US) has grown significantly, with India supplying 20+ percent of the generics demand in major geographies.
- **Stable growth in domestic market consumption:** India's pharmaceutical market has grown rapidly over the last decade. Despite recent headwinds, a stable growth of 5-7% was observed last year. India is likely to become one of the Top 3 pharma markets by 2030
- **Low cost and at scale manufacturing capability in India:** India has the second highest number of US FDA approved facilities and labour costs in Indian have been lower than other manufacturing hubs by up to 40 percent.

While the headwinds are likely to continue for the next 2 to 3 years, Indian pharmaceutical companies need to adapt to the changing landscape, and emerge stronger.

Global market dynamics & implications for India pharma

Even though companies anticipated a fair set of challenges in last few quarters, the sheer speed and impact of these has been overwhelming. Many leading generics players—in India and globally—shed up to 40 percent of their market capital in mere months due to a range of reasons8—from regulatory sanctions to litigation, impairment charges to generics market dynamics in the US, and raw material price volatility in China to evolving regulatory landscape in India, etc.

Various dynamics in international markets are eroding value from the generic value pools. These are:

- **Further consolidation among distributors and pharmacy chains:** This has continued to cause a steep fall in generic drug prices in the US—the largest healthcare market in the world.
- **Increased product approvals, and resultant competition in the generics space:** The number of filings and drug approvals is rising sharply, with an increasing number of Indian companies (e.g., accounting for around 40 percent of the ANDA approvals in 2017) vying for a share of the same pie9. This will keep up the competition (and consequently, price erosion) in the coming years.
- **Drop in new launch sales:** The average new launch sales per year has dropped due to lower value of drugs going off patent. This trend is also likely to sustain for the next couple of years.
- **Increasing price control and protectionism in various global markets:** Protectionism could significantly impact the value of exports, which contribute around half of India pharmaceutical industry's value.

Despite the likely severe impact of these factors in the short term, the industry could eventually be buoyed up by a sustainable cost advantage, a robust new product pipeline, completion of pricing corrections, the launch of next - gen assets and scaling up of the rest – of - world business. Technology and emerging business model innovations, too, could prompt a transformation.

In the coming year, we expect to see Indian pharmaceutical companies possibly adopting many of the following five priorities to capture the full potential of these opportunities:

- **Driving Profitability and cost leadership through operational excellence:** Indian pharma manufacturers have been ceding ground on cost due to increasing complexity, remediation costs, additional controls, global supply market disruptions (particularly in China owing to environmental regulations), etc. To cope up with these margin pressures, the industry needs to improve manufacturing efficiencies across the network and drive cost excellence initiatives across the spend base. Some successful pharmaceutical companies have pruned their cost structures by approximately 10 percent in a relatively short span of time.
- **Focusing on strategic M&A for value buys:** The current operating environment could lead to several attractive opportunities through distressed divestitures and fewer strategic buyers with available cash at scale. Strategically pursuing and shaping deals could allow companies to make additions to the portfolio (products, business lines) that might support short-term top line buoyancy and create platforms for future strategic expansion.
- **Advancing the specialty / differentiated drugs business model:** While pharmaceutical companies could optimize the core generic portfolio across dosage forms, most have begun to embrace the "next-gen" specialty/differentiated assets portfolio. This will require purposefully reinventing the operating model for generics companies, pursuing a systematic portfolio and investment strategy(using partnership, analytics, technology, etc.), strengthening development and launch processes (efficiency in trial design, setup and execution) and building new innovator-like functional strengths (pricing, launch, market access, regulatory, etc.).
- **Embracing Digital and advanced analytics for accelerated growth:** The recent technological shift has prompted the rapid rise of Advanced Analytics (AA), which is enabling companies to surface insights even with complex and unstructured data sets. Globally, in the pharma industry we have seen use cases of AA driving growth and productivity across the pharmaceuticals value chain including R&D (over 10 percent increase in clinical trial productivity), Manufacturing (more than 30 percent improvement in yields and throughput), Quality (over 15 percent reduced deviations), Supply Chain (over 20 percent increase in customer service levels), Sales (around 30 percent improvement in sales force conversion rate), etc. In 2017, some India pharma companies experimented with AA through pilot scale test cases with promising results. We expect that they will advance the Digital and AA agenda on a larger scale in the years to come.
- **Organization and linking Talent to Value:** As portfolios become more complex, competition and regulatory scrutiny intensify, and external demand and supply situations tighten, companies will need to rethink how they organize for delivery. The capabilities in the Indian pharmaceutical industry will need to be upgraded to cope with the challenges ahead. Companies will need to follow a "Talent to Value" approach, linking business value to the most critical roles and then actively managing these roles. This is the right time to take a tough look at organization hierarchies and redesign for agility by de-layering and delegate decisions, and strengthening cross-functional interfaces to ensure collaboration in the most important areas.

India market dynamics & implications for India pharma:

The growth rate for the Indian pharmaceutical market has slowed down consistently over the last five quarters—from 12-15 percent in 2015 to 5-6 percent in 2017. The market growth is driven largely by volume (2016-17 volume growth was 3-4 percent) with an average price increase of 1-2 percent.

Despite the slowing pace of growth, companies have continued to cater to healthcare needs, thereby enriching the quality of lives. Few recent entrants have rapidly achieved top line growth13. Institutions (both hospitals and government) have become much larger customers - Government expenditure on healthcare has increased from 22 Bn USD in 2012 to 53 Bn USD in 2016.

The volumes could possibly keep growing due to India's high disease burden, increasingly better access to healthcare (and hence better diagnosis rates) and greater affordability. But the market is also likely to be impacted in the near term due to several forces.

- **Evolving regulatory landscape:** The recently proposed pharma policy and several other interventions have an impact across the value chain- from development, manufacturing and supply chain to pricing and customer engagement. There is still potential to systematically strengthen and stabilize the Pharma policy of 2012, and improve the ease of doing business going forward. As the Government continues to play a more proactive role in shaping broader healthcare reforms, the industry environment could see some uncertainty in the near term.

- **Alternate means of engagement with doctors:** While doctors are likely to remain the single largest influencer of treatment and medicine choice, alternative means of engaging physicians could gradually become the norm. Doctors' behaviour is evolving with increasing time spent online togain information. Technology-based remote healthcare will continue to expand, significantly increasing the reach and influence of the doctors. The proposed UCPMP will also move to mandatory compliance with oversight.

- **Increased patient involvement:** As patients want to be more involved and empowered, their preferences will continue to influence healthcare choices. While this shift is visible across the country, with the trend being much stronger in metro cities –a recent survey in Gurgaon showed that over 60 percent of patients check their doctor / hospital choices on Google before deciding, and the prescribed products thereafter.

- **Greater role of pharmacists:** Pharmacists will grow more powerful (e.g., due to INN name) and the market may see another wave of consolidation giving rise to pharmacy chains. E-pharmacies will see a surge with easing regulation and increasing private investment in this space, causing a dramatic shift in generic brands and substitution ability.

The anticipation of these shifts, while causing some uncertainty, could also create various opportunities for pharmaceutical companies to grow by innovating on their business model.

- Companies could innovate the doctor engagement model by focusing on multiple touch points with doctors across the entire customer journey. Successful pharma companies globally have stitched together a partnership-led ecosystem to engage the physician, leveraging digital and other channels. The model could require fewer but more capable sales representatives, who can have scientific discussions with doctors and build a long-term relationship. Managing talent and attrition among the field force could become a key differentiator in the market.
- As patients become more involved in healthcare choices, companies may need to develop a new consumer engagement model, using digital as a systematic channel instead of an ad-hoc top-up. This can be a significant growth driver, helping to meet several needs in the market. For example, diabetes lifetime compliance is only 3 months in India. Engaging patients directly—for education, counselling or compliance support—could play an important role in therapy adoption and adherence. Targeted partnerships can also be explored with other players in the healthcare space.
- As pharmacists gain influence in final dispensing, strengthening channel management capabilities and resources to ensure availability can be a key differentiator for pharma companies. There is a need for a uniform quality standard in India, and building capabilities for pharmacists is crucial to enable them to play a greater role in the market.

Opportunities for India as a global supply destination

India's strong position as a pharma supplierrests on its ability to provide high quality medicines backed by strong innovation capabilities and a structural cost advantage.

The cost of manufacturing formulations in India remains 30-40 percent lower than other comparative manufacturing hubs such as China and Eastern Europe, notwithstanding low productivity levels. This is driven by lower labour costs vis-à-vis other geographies. Despite inflationary trends, India's labour cost advantage will sustain in the medium to long term, especially if Indian companies can improve productivity through operational excellence and digital initiatives.

The supply of local talent into the pharma industry (e.g., B.Pharm, M.Pharm, B.Sc.) is stronger than incountries such as China. Indian pharma companies are foraying into complex products (e.g., microspheres, liposomes, emulsions), building capabilities in R&D and the manufacturing of these products while still ensuring the required quality.

However, the industry is also facing several challenges in supplying to export markets, which must be addressed going forward.

- The increasing pricing pressure in the regulated market is squeezing margins and profitability. Keydrivers include customer consolidation, greater competition in commoditized, easy-to-manufacture products with increased ANDA approvals, and a slowdown in new launches.

- Another key challenge stems from compliance issues affecting the reliability of supply. While many Indian companies have fared well in regulatory audits over the last year and seem to be emerging out of remediation, others continue to face challenges.

- India continues to rely on imports of key starting materials, intermediates and API's for, China withthe share of dependence increasing over time. This potentially exposes us to raw material supply disruptions and pricing volatility.

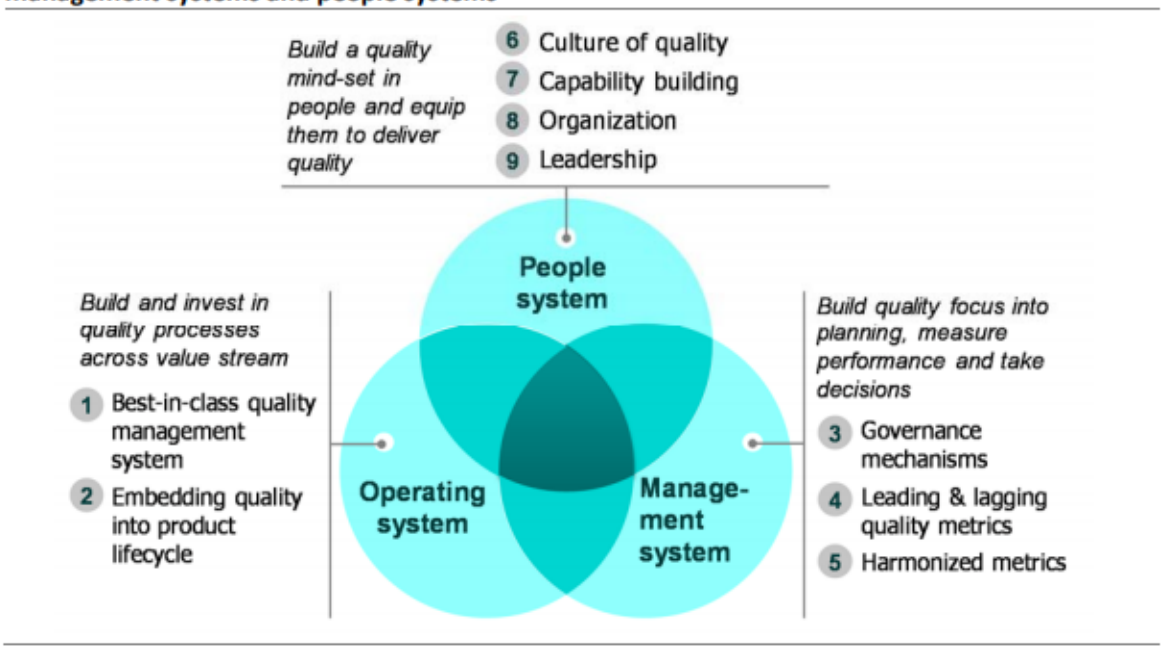
- There is an opportunity for India Pharma to drive growth by building on the cost advantage, and improving reliability of supply—major buying criteria for customers. Three priority areas thus emerge for Indian pharmaceutical companies:

- Build stronger quality systems and achieve full compliance
- Re-focus efforts on operational excellence
- Alternate sourcing and self-sufficiency in APIs / intermediates

Institutionalizing quality and compliance excellence

The last few years have seen Indian pharmaceutical manufacturers experience intense regulatory scrutiny and numerous compliance challenges in meeting the evolving cGMP requirements. However, similar trends are seen at leading pharma companies in other major manufacturing hubs as well China, Europe, North America. Many global pharma companies have gone through a similar learning curve of multi-year and network-wide remediation.

Exhibit 3: Outstanding quality involves building quality in the organization's operating systems, management systems and people systems



Some Indian pharma companies have addressed the issues and built strong quality systems by deploying India-specific interventions in addition to global best practices. The interventions required span across 3 elements of a good quality system i.e., operating system, management system and the people system.

- **Expanding and upskilling the quality talent pool:** Building capabilities across all levels, particularly at the middle management layer; leveraging emerging technologies to build experiential training modules

- **Building a culture of Quality at the shop floor level:** Addressing India-specific cultural challenges and building an environment of ownership, openness and collaboration

- **Leveraging technology to fool-proof key processes and performance management systems:** Some Indian pharma companies are already looking to identify Quality Management System (QMS) risks and reducing OOS and deviations through the deployment of Advanced Analytics techniques.

- **Continuing to strengthen critical technical elements** of the QMS such as data reliability, good documentation practices, process validation and investigations.

Building operational excellence

While the overall cost of manufacturing in India is likely to remain competitive, productivity in Indian pharma sites continues to be 40-50 percent lower than the global median. This presents a significant opportunity to drive efficiencies and offset some of the cost pressures.

While the traditional Lean applications continue to drive efficiencies, advances in availability of data coupled with disruptions in computational power and advanced analytics allow pharmaceutical companies to uncover new opportunities for performance improvements. While on average, the pharmaceutical industry lags advanced industries in the adoption of digital & advanced analytics, players who have merely piloted these applications have seen 10-30% improvement in conversion costs, deviations, yields and equipment efficiencies.

Alternate sourcing and self-sufficiency in APIs / intermediates

Ensuring India's self-sufficiency in API/intermediates will be critical to maintain the competitiveness of Indian players and to ensure supply security for the local market. Investing in next-generation APIs can help India pharma be at the forefront of these technologies and differentiate itself from other players. The industry could also explore alternate sourcing locations (such as Vietnam, Indonesia) while indigenous capabilities & capabilities ramp up.

The government can play a crucial role to help the industry achieve self-sufficiency in APIs /intermediates. It could explore setting up three to five dedicated clusters across the country for theAPI / intermediate industry. These clusters could offer benefits such as subsidised land and utilities, common resources for effluent treatment, quality assurance, etc. to help improve cost competitiveness of Indian players. It could further support by offering additional incentives to players for R&D investments in these areas. It could also offer grants to academic institutions and public-sector undertakings to invest in this area, or set up dedicated centres for such research.

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Letter of Offer, including the information contained in the section titled "Risk Factors", beginning on page no. 24 of this Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled "Financial Statement" and "Management Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page no. 24, 81 and 100 respectively, of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are too Earum Pharmaceuticals Limited and Group Entities as the case may be.

1. Summary of Primary Business

Our company was originally incorporated as 'Earum Pharmaceuticals Private Limited' on July 26, 2012, under the Companies Act, 1956 engagedin pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections. Consequent upon conversion into Public Limited Company the name of our Company was changed to 'Earum Pharmaceuticals Limited' on January 10, 2019 and fresh certificate of incorporation was obtained from the Registrar of Companies, Ahmedabad, Gujarat, on January 23, 2019.

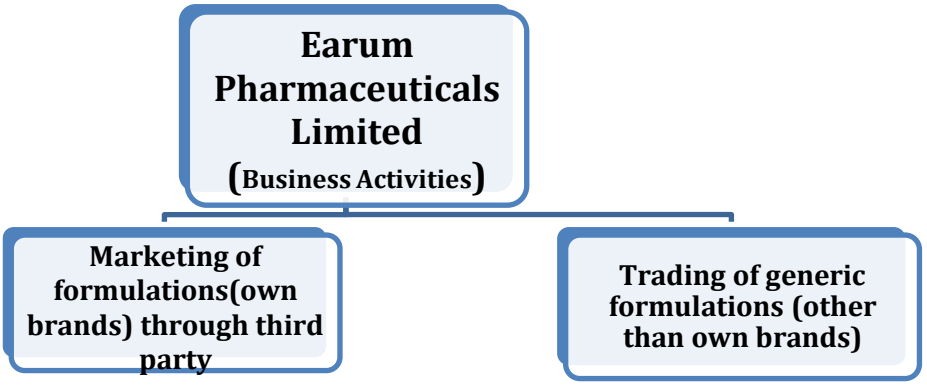
Our Company remained focused on providing distinctive, high quality and trusted products to consumers at right price. Our Company is an Enterpreneur driven and well managed organization focused on meeting our consumer requirements for meeting their fashion and lifestyle requirements by offering products and services with the finest quality.

Our Products

Segment	Products				
Anti-Biotic	Erocefux-250/500 Tablets	Eropod 100/200 Tablets	Eroclave – 625 Tablets	Eroclave – 625 (Lb) Tablets	Erothro 250/500 Tablets
	Erofixime – 200 Tablets	Eroflox 200 Tablets	Erofixime – Oz Tablets	Erofixime – Of Tablets	Eroflox- Oz Tablets
	Erolev – Oz Tablets	Erofixime- CV Tablets	Eropod – CV Tablets	Eroclave Dry Syrup	Eroclave (Lb) with WFI Dry Syrup
	Eroclave Forte Dry Syrup				
Anti-Malarial	Artynet Kit Tablets	Artymet – L Tablets	Artymet – L Forte Tablets		
Analgesic/ Anti – Pyretic & Anti – Inflammatory	Erofanac P Tablets	Erofanac P Suspension	Erofanac SP Tablets	Erofanac – MR Tablets	Erodol Gel
	Nimolsy Tablets	Nimicool Tablets	Colcid – A Tablets	Etercox – 90 Tablets	Etolchy Tablets
	Glucosem Tablets	Dretin – M Tablets	Mefnamol Suspension	Mefnamol Plus Suspension	Parsitol Suspension
	Aalkaz Syrup				
Anti-Allergic & Anti-Cold	Trexodine Syrup	Erocoff Syrup	Erocoff – DM Syrup	Erocoff – T Syrup	Erozine 5 tablets
	Erozine – M Syrup	Erozine M Tablets	Erofex – M Tablets	Erocold Tablets	Erocold Syrup

	Broncophylline Capsules				
Dermatology	Ketnizal 200 tablets	Itranz 100 capsules	Chlordent mouth wash liquid	Clonicom Gel	Ketnizal Shampoo
	Sulfoxy Cream	Goggles Lotion	Moistzer Cream	Ketnizal Soap	Benprox Soap
	Erofixime	Eropod Dry Syrup	Eropod Forte Dry Syrup	Eropod CV Dry Syrup	Erofixime Dry Syrup
	Erofixime CV Dry Syrup	Erolev 500 Tablets	Eroflox Suspensions		
Cerebral Activators	Behesta – 8 Tablets	Behesta – 16 tablets			
Calcium, Multi-vitamins & anti-oxidants	Calcybar D3 Tablets	Calcybar K27 Tablets	Calcybar Tablets	Calcybar Syrup	Ero D3 Chewable tablet/ Powder
	Silvee Syrup	Silvee Capsules	Lycony Capsule/ Syrup	Emoga 369 Capsules	Lycyn Syrup
	Erohim – Xt Syrup	Chocostar Syrup	Earovit Tablet/ Syrup	Earovit Drops	Earovit Fort Tablets
	Beecops Tablets	Vitajing Capsules	Glowing tablets	Eropro – SF Powder	Cypum Syrup
	Orangey/ Mangoes Powder				
Neurological	Ero BDF Tablets	Mecolba – G Tablets	Mecolba – P Capsules	Mycolba Syrup	
Gastro Intestinal	Eropanta 40 Tablets	Eropanta – DM Tablets	Eropanta – DSR Capsules	Megnafinn Suppository	Erorabe 20 Tablets
	Erorabe – DSR Capsules	Erorabe – LS Capsules	Prebiotics Capsule/ Powder	Earozym Syrup/ Drops	Erocid Suspension
	Cralsate – O Syrup	Lexatu			
Steroids	Cortdef 6 Tablets	Metpredy 8/4 Tablets	Metpredy Tablets		
Gynecology	Erohim XT Tablets	Vominos Tablets	Trenixa – M Tablets	Pyrinos Plus	Erostron Tablets
Injections	Eroxon 1	Ceftixon 1	Ceftixon - S 1.5	Eroxone S 1.5	Erozone S 1.5
	Erodol AQ	Mycolba 1500	MycolbaPluse	Rosered	Erostron
	Artynet	Erother	Eropanta 40		

Our business activities can be summarized as per below table



Our Competitive Strength

1. Diversified Product Portfolio:

Our Company has diverse product portfolio across various segments to fulfill customer's requirements. Our offerings includes wide range of finished formulations. We supply products on the basis of trends, needs and requirements in the market. Our product range in formulations allows our existing customers to source majority of their product requirements from us and also enables us to expand our business from existing customers as well as address a larger base of potential new customers.

2. Experienced Promoter and Management team:

The Promoter of our Company, Mr. Bhumishth Narendrabhai Patel has significant industry experience and has been instrumental in the consistent growth of our Company's performance. Mr. Patel has an overall experience of over 12 years in various segments of pharmaceutical business. Further our Company is managed by a team of experienced personnel. The team comprises of personnel having technical, operational and business development experience. We believe that our management team's experience and their understanding of the pharmaceutical business will enable us to continue to take advantage of both current and future market opportunities.

3. Quality assurance:

We believe that quality is an ongoing process of building and sustaining relationships. strength lies in understanding the requirements of the customer and our execution capabilities. This has enabled us to get repeated orders from our existing customers and attract new customers**.**

Our Strategies

1. Make our presence in Global Market:

Currently, we carry our business operations in India. We believe that our footsteps in international market will help us mitigate risk for any unforeseen circumstances in the domestic market and expand our business operations.Currently we have presence in Indian States such as Gujarat, Maharashtra, Chhattisgarh, Uttar Pradesh, Mizoram, Andhra Pradesh, Rajasthan, Madhya Pradesh, Manipur, Assam, Meghalaya, Kerala, Telangana etc. We intend to grow our sales by offering new products in the international markets. Our growth strategy will vary from country to country depending on their specific regulatory requirements.

2. ***Leveraging our Marketing skills and Relationships:***

This is a continuous process in our organization and the skills that we impart in our people to give prime importance to customers.We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers base by supplying orders in hand on time, maintaining and renewing our relationship with existing clients.

3. ***Focus on dealing in quality standard products:***

Quality of the product is very important for the company from both customer point of view and growth point of view. Our

Company is focused on dealing in the products which meets with the requisite quality standards as per the applicable regulatory norms. Providing the desired and good quality products help us in enhancing our Company's image and maintaining long term relationships with customers.

4. ***To build-up a professional organization:***

We believe in transparency, commitment and coordination in our work, with our suppliers, customers, government authorities, banks, financial institutions etc. We have a blend of experienced and sufficient staff for taking care of our day to day operations. We also consult with external agencies on a case to case basis on technical and financial aspects of our business. We wish to make it more sound and strong in times to come.

SALES AND MARKETING

The efficiency of the marketing and sales network is critical to the success of our Company. Our success lies in the strength of our relationship with our sales channels that are associated with our Company. Our sales and marketing team is dedicated to pursue and enhance our business interest in finished dosage forms. Our team through their experience and good rapport with clients owing to timely and quality delivery of products plays an instrumental role in creating new sales orders and expanding the current volume of our business year on year. In order to maintain good relation with customers, our promoters and our marketing team regularly interacts with them and focuses on gaining an insight into the additional needs of customers. Our prime consideration for customer selection is timely payments and consistency in purchases.

MARKETING STRATEGY

We intend to focus on following marketing strategies:

1. Focus on entering into international markets
2. To expand our existing distribution base
3. Continuously holding market trends
4. Supply of Quality Products
5. Fulfillment of Order in a timely manner
6. Adapting to market dynamics

Competition

Pharmaceutical being a global industry, we face competition from various domestic and international manufacturers and traders.Competition emerges from small as well as big players in the pharmaceutical industry. The organized players in the industry compete with each other by providing high quality, consistent and time bound products and value added services. We have a number of competitors offering products similar to us. We believe the principal elements of competition in pharmaceutical business are consistent and quality products, their prompt availability and strong relations with formulators and pharmaceutical manufacturers. We compete against our competitors by establishing ourselves as a knowledge-based pharmaceutical company and we focus on providing products that would be in consonance with technical and quality requirements of our customer as well as we try to offer a competitive pricing model without compromise on the quality.

Approach to marketing and marketing set-up

The efficiency of the marketing and sales network is critical success of our Company. Our success lies in the strength of our relationship with our customers. Our core competency lies in our marketing capability and knowledge of the market for readymade garments. We have strong marketing team which is led by our Promoter Mr. Nikunj Agrawal. We take continuous efforts by way of market survey, conducting training programs for marketing staff, designing various discount schemes, conducting various events to target the market. Our company is also benefited by the marketing support of the brands viz. advertisements, posters, images, catalogues etc provided by the companies for which we are retailing.

OUR MANAGEMENT
Board of Directors

The Articles of Association require our Board to have at least 3 (Three) Directors and not more than 15 (Fifteen) Directors. Our Board presently comprises of 6 (Six) directors, which consists of 1 (One) Executive Director, 2 (Two) Non – Executive and Non - Independent Directors and 3(Three) Non – Executive and Independent Directors. Our Chairman is a NonExecutive Director.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing the draft Letter of Offer:

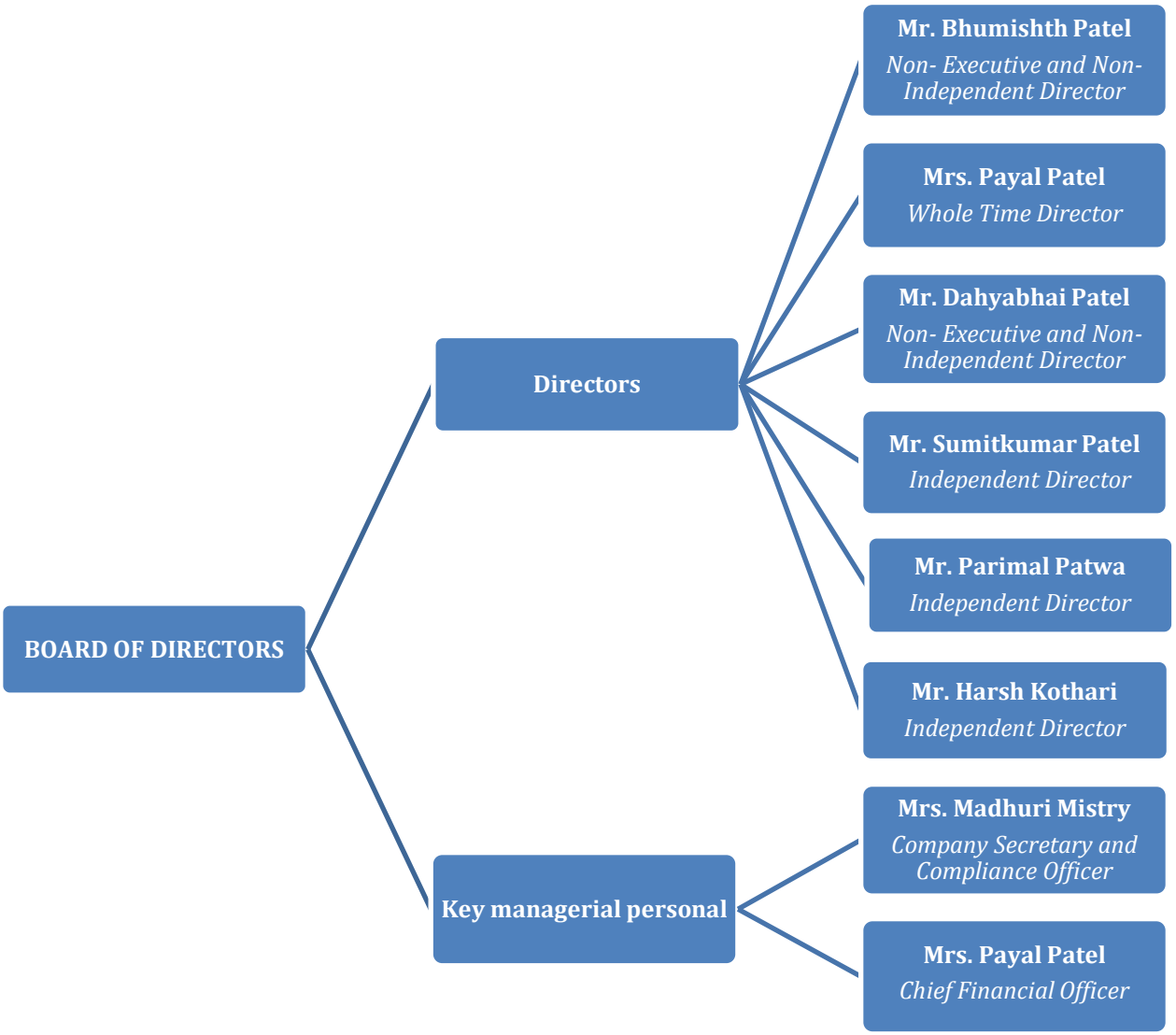
Sr. No.	Particulars (Name, Designation, Address, Age, Occupation, Nationality, Term etc.)	Date of Appointment	DIN	Other Directorships
1.	**Mr. Bhumishth Narendrabhai Patel** S/o. Narendrabhai Gangaramdas **DOB:** 09/03/1983 (39 years) **Address:** 111, Glory Supercity Township, Iscon Temple Road, Kalol, Santej, Gandhinagar – 382721 **Nationality:** Indian **Occupation:** Business **Designation:** Director **Term:** N.A.	26/07/2012	02516641	1. Evoq Remedies Limited 2. Vogue Lifestyle Private Limited 3. Espacio Nutriwell Private Limited 4. Madrid Diamond Private Limited 5. El-Faro Venture Private Limited 6. Patron Exim Limited
2.	**Mrs. Payal Bhumishth Patel** D/o. Dahyalal Mafatlal Patel **DOB:** 02/06/1982 (40 years) **Address:** 111, Glory Supercity Township, Iscon Temple Road, Kalol, Santej, Gandhinagar – 382721 **Nationality:** Indian **Occupation:** Business **Designation:** Whole Time Director **Term:** Appointed for 5 years w.e.f. 05/03/2019 to 04/03/2024	13/05/2019	05300011	1. Evoq Remedies Limited 2. Vogue Lifestyle Private Limited 3. Espacio Nutriwell Private Limited 4. Madrid Diamond Private Limited 5. El-Faro Venture Private Limited
3.	**Mr.Sumitkumar Patel** S/o. Jayantibhai Patel **DOB:** 12/07/1990 (33 years) **Address:** 3/20 Kailashnagar Opp Umiyanagar Asarwa Ahmedabad – 380 016 **Nationality:** Indian **Occupation:** Business **Designation:** Independent Director **Term:** Appointed for 5 years w.e.f. 05/11/2022 to 04/11/2027	05/11/2022	08206567	1. Waa solar limited 2. Svs ventures limited 3. Patron exim limited
4.	**Mr. Dahyabhai Patel** S/o. Mafatlal Patel **DOB:** 08/12/1949 (73 years) **Address:** 3, Gokuldham Society, Dharoi Colony Road, Visnagar Mehesana, Gujarat - 384 315 **Nationality:** Indian **Occupation:** Business **Designation:** Non Executive Director **Term:** NA	10/06/2021	07061899	

5.	**Mr. Parimal Patwa** S/o. Suryakant Patawa **DOB:** 24/12/1959 (63 years) **Address:** 2672, Sodagar Ni Pole, Jhaveri pole, Kalupur Ahmedabad – 380 001 **Nationality:** Indian **Occupation:** Business **Designation:** Independent Director **Term:** Appointed for 5 years w.e.f. 27/08/2021 to 26/08/2026	27/08/2021	00093852	1. Patwa Investment And Finance Limited 2. Indo Colchem Limited 3. Sagardeep Alloys Limited
6.	**Mr. Harsh Kothari** S/o. Mahendra Kothari **DOB:** 26/04/1996 (26 years) **Address:** K-102 Avalon Court Yard Ghodasar Char Rasta, Ghodasar Ahmedabad – 380 050 **Nationality:** Indian **Occupation:** Business **Designation:** Independent Director **Term:** Appointed for 5 years w.e.f. 07/09/2021 to 06/09/2026	07/09/2021	09310696	-

Family Relationship between our Directors

Mr. Bhumishth Narendrabhai Patel, Mrs. Payal Bhumishth Patel and Dahyabhai Patel are related to each other.

ORGANIZATIONAL STRUCTURE



Details of Key Management Personnel

Except ourWhole Time Director, following are the Key Managerial Personnels:

Sr. No.	Name, designation and date of appointment
1.	Mrs. Madhuri Mistry Designation: Company Secretary and Compliance Officer Date of appointment: 07/09/2022
2.	Mrs. Payal Bhumishth Patel Designation: Chief Financial Officer Date of appointment: 13/05/2019

Confirmations

- None of our Directors / Manager is or was a Director of any Listed Company during the last five years preceding the date of filing of the draft Letter of Offer, whose shares have been or were suspended from being traded on BSE / NSE within a period of 5 (five) years immediately preceding the date of this Letter ofOffer.

- Further, none of our Directors of the Company are or were associated in the capacity of a director with any Listed Company which has been delisted from any stock exchange(s) in the last 10 years immediately preceding the date of filing of this draft Letter of Offer.

- None of our Directors is or was a director of any Listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.

- None of the Directors of our Company has been declared as a wilful defaulter, as defined by the SEBI ICDR Regulations. There are no violations of securities laws committed by our Directors in the past and no such proceedings are pending against them.

SECTION VII: FINANCIAL INFORMATION FINANCIAL STATEMENTS

Sr. No.	Particulars	Page Nos.
1.	The limited review report and unaudited Financial Results for the Quarter and Half Year ended period ended on 30th September, 2022	73 - 76
2.	The Statutory Auditor's Report and the Audited Financial Statements for the period ended 31st March, 2022.	77 – 98

The following tables set forth financial information derived from our Audited Financial Information for the year ended on 31st March, 2022 and the limited review unaudited Financial Statements for the Quarter and Half Year ended on 30th September, 2022 prepared in accordance with Regulation 33 of SEBI (LODR) Regulations, 2015. We have not given Restated Financials because we fall under Part - B of SEBI (ICDR), Regulations, 2018.

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EARUM PHARMACEUTICALS LTD. CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

UNAUDITED BALANCE SHEET AS AT 30th SEPTEMBER, 2022

	Particulars	As at 30th September 2022	As at 31st March 2022 (Audited)
		Rs. (In Lacs)	Rs. (In Lacs)
I.	**ASSETS**		
	Non-Current Assets		
1	(a) Fixed Assets	53.22	58.06
	(i) Tangible Assets		
	(ii) Intangible Assets		-
	(iii) Capital Work-In-Progress		-
	(iv) Intangible Assets under Development		-
	Total Fixed Assets	53.22	58.06
	(b) Non-Current Investments	-	-
	(c) Deferred Tax Assets (Net)		-
	(d) Long-Term Loans and Advances		-
	(e) Other Non-Current Assets		-
2	**Current Assets**		
	(a) Current Investments		
	(b) Inventories	1,132.44	1,224.90
	(c) Trade Receivables	1,518.28	1,504.26
	(d) Cash and Cash Equivalents	29.98	5.30
	(e) Short-Term Loans and Advances	167.85	57.48
	(f) Other Current Assets	29.43	29.43
	Total Current Assets	2,877.98	2,821.37
	TOTAL >>>>>	2,931.20	2,879.43
II.	**EQUITY AND LIABILITIES**		
1	**Shareholders Funds**		
	(a) Share Capital	1,233.58	1,233.58
	(b) Reserves and Surplus	478.92	438.94
	(c) Money Received Against Share Warrents	-	-
	Total Shareholders Funds	1,712.50	1,672.52
2	**Share Application Money Pending Allotment**	-	-
3	**Non-Current Liabilities**		
	(a) Long-Term Borrowings	-	-
	(b) Deferred Tax Liabilities (Net)	1.07	1.07
	(c) Other Long Term Liabilities		-
	(d) Long-Term Provisions	-	-
	Total Non Current Liabilites	1.07	1.07
4	**Current Liabilities**		
	(a) Short-Term Borrowings	873.99	873.99
	(b) Trade Payables	-	-
	i) Total Outstanding dues of micro enterprise and small enterprise		-
	i) Total Outstanding dues of creditors other than micro enterprise and small enterprise	84.53	120.60
	(c) Other Current Liabilities	156.15	108.29
	(d) Short-Term Provisions	102.96	102.96
	Total Current Liabilites	1,217.63	1,205.84
	TOTAL >>>>>	2,931.20	2,879.43
	See accompanying notes forming part of the Financial Statements		

For, Earum Pharmaceuticals Limited

PATEL BHUMISHTH

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Date: 2022.11.05 15:52:50 +05'30'

Bhumishth Patel
Director
DIN : 02516641
Date : 05/11/2022
Place : Ahmedabad

EARUM PHARMACEUTICALS LTD. CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / HALF YEAR ENDED 30 th SEPTEMBER, 2022

	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2022 (Unaudited)	30.06.2022 (Audited)	30.09.2021 (Unaudited)	30.09.2022 (Unaudited)	30.09.2021 (Unaudited)	For the Period Ended 31st March 2022
		Rs. (In Lacs)	Rs. (In Lacs)	Rs. (In Lacs)	Rs. (In Lacs)	Rs. (In Lacs)	Rs. (In Lacs)
I.	Revenue from Operations	711.44	427.87	842.29	1139.31	1141.03	2,103.56
II	Other Income	0.00	86.57	220.04	86.57	228.31	770.30
	Total Revenue (I + II)	**711.44**	**514.44**	**1062.33**	**1,225.88**	**1,369.34**	**2,873.86**
III.	**Expenses:**						
	Purchases of material	665.44	415.66	388.29	1081.10	692.73	2,182.54
	Changes in Inventories	35.04	57.41	98.18	92.45	426.22	321.47
	Employee Benefits Expenses	0.30	0.18	0.66	0.48	2.15	4.10
	Finance Costs	0.00	0	0.96	0.00	8.22	8.22
	Depreciation and Amortization expense	2.46	2.38	4.97	4.84	8.12	11.82
	Other Expenses	4.53	2.51	29.30	7.04	33.23	37.54
	Total Expenses	**707.77**	**478.14**	**522.36**	**1,185.91**	**1,170.67**	**2,565.69**
IV.	**Profit before exceptional and extraordinary items and tax (III-IV)**	3.67	36.30	539.97	39.97	198.67	308.17
V.	Exceptional Items						
	Prior Period Expenses						
VI.	**Profit Before Extraordinary Items and Tax (V - VI)**	3.67	36.30	539.97	39.97	198.67	308.17
VIII.	Extraordinary Items						
IX.	**Profit before tax (VII- VIII)**	3.67	36.30	539.97	39.97	198.67	308.17
X	Tax expense:						
	(1) Current tax	0.00	-	0		0	85.76
	(2) Deferred tax						
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**	3.67	36.30	539.97	39.97	198.67	222.41
XII	Other Comprehensive Income / (Loss)						
	i) Items that will not be reclassified to profit and loss	-	-	-			-
	ii) Items will be reclassified to profit and loss	-	-	-			-
XV	**Total Comprehensive Income/(Loss)**	**3.67**	**36.30**	**539.97**	**39.97**	**198.67**	**222.41**
XVI	**BALANCE BROUGHT FROM PREVIOUS YEAR**						
XVII	**BALANCE CARRIED TO BALANCE SHEET**	**3.67**	**36.30**	**539.97**	**39.97**	**198.67**	**222.41**
XVIII	Details of equity Share Capital						
	Paid Up Equity Share Capital	1233.58	1233.58	1233.58	1233.58	1233.58	1233.58
	Other Equity	0	0	0	0	0	438.94
	Face Value of equity share Capital	2	2	2	2	2	2
	Earnings per equity share:						
	(1) Basic	0.003	0.29	4.38	0.03	1.56	0.36
	(2) Diluted	0.003	0.29	4.38	0.03	1.56	0.36

Notes:

1. These financial results were reviewed by the audit committee and thereafter have been approved by the board of directors at its meeting held on Saturday November 05, 2022. The Statutory Auditors have carried out Limited review of the financial results for the quarter and half year ended September 30, 2022.

2. These audited financial results have been prepared in accordance with the Indian Accounting Standard (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013

3.IND AS 108 Relating to Segment wise reporting is not applicable as the Company operates in only One Primary segment i.e Pharmaceutical Trading

4. Previous year/Half Year/quarter figures have been regrouped/rearranged wherever neceassary.

For, Earum Pharmaceuticals Limited

PATEL BHUMISHTH

Digitally signed by PATEL BHUMISHTH
Date: 2022.11.05 15:53:12 +05'30'

Bhumishth Patel
Director
DIN : 02516641
Date : 05/11/2022
Place : Ahmedabad

EARUM PHARMACEUTICALS LTD. CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

UNAUDITED CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2022

	Half Year Ended 30th Sep '22	Half Year Ended 30th Sep '21
Cash flows from operating activities		
Profit before taxation	39.97	308.17
Adjustments for:		
Depreciation	4.84	11.82
Investment income	-	-
Deferred tax Liability	-	-
Interest expense	-	8.22
Profit / (Loss) on the sale of property, plant & equipment	-	-
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(14.02)	(436.96)
(Increase) / Decrease in inventories	92.47	321.45
(Increase) / Decrease in Short Term Loan & Advance	(110.37)	4.44
(Increase) / Decrease in Other Current Assets	-	-
Increase / (Decrease) in Trade payables	(36.07)	(8.82)
Increase / (Decrease) in Short term Provisions	-	64.80
Increase / (Decrease) in Other Current Liabilities	47.86	73.31
Cash generated from operations	24.68	346.43
Interest paid	-	(8.22)
Income taxes paid		(85.76)
Dividends paid	-	-
Net cash from operating activities	24.68	252.45
Cash flows from investing activities		
Business acquisitions, net of cash acquired	-	-
Purchase of property, plant and equipment		-
Proceeds from sale of equipment	-	6.20
Acquisition of portfolio investments	-	-
Investment income	-	-
Net cash used in investing activities	-	6.20
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long-term borrowings	-	(237.89)
Proceeds from Short-term borrowings	-	(21.31)
Payment of Share Application Money	-	-
Share Capital Issue With Security Premium	-	-
Net cash used in financing activities	-	(259.20)
Net increase in cash and cash equivalents	**24.68**	**(0.55)**
Cash and cash equivalents at beginning of period	**5.30**	**5.85**
Cash and cash equivalents at end of period	**29.98**	**5.30**

For, Earum Pharmaceuticals Limited

PATEL BHUMISHTH

Digitally signed by PATEL BHUMISHTH
Date: 2022.11.05 15:53:31 +05'30'

Bhumishth Patel
Director
DIN : 02516641
Date : 05/11/2022
Place : Ahmedabad

J. M. PATEL & BROS.
Chartered Accountants
E-mail : jmpatelca@yahoo.co.in

204, Harsh Avenue,
Navjivan Press Road,
Nr. Old High Court Crossing,
AHMEDABAD-380 014.
Phone : (079) 27541460

Ref. No. :

Date :

LIMITED REVIEW REPORT OF EARUM PHARMACEUTICALS LIMITED

Review Report to
To,
The Board of Directors,
Earum Pharmaceuticals Limited
CIN : L24230GJ2012PLC071299
AHMEDABAD

We have reviewed the accompanying statement of unaudited financial results of **Earum Pharmaceuticals Limited (CIN : L24230GJ2012PLC071299)** for the Quarter and half year ended **30th September, 2022**. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement subject to state bank of india CC Accounts Rs. 8.74 Crores outstanding are inoperative and No provision for interest Rs. 42.30 Lakhs (Approx.) on SBI loan is not made into accounts.

For J M PATEL & BROS.,
Chartered Accountants
FRN: 107707W

J. M. PATEL & BROS. F.R.No.: 107707W C.A. J.M. PATEL M.No. 030161 AHMEDABAD CHARTERED ACCOUNTANTS

CA JASWANT M. PATEL
Partner
M. No. 030161
UDIN NO : 22030161BCECVH4444
Place: Ahmedabad
Date: 05/11/2022

To the Members of,

EARUM PHARMACEUTICALS LIMITED

Report On the Financial Statements

We have audited the accompanying financial statements of EARUM PHARMACEUTICALS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss for the year then ended and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial control system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the

accounting principles generally accepted in India; of the state of the affairs of the company as at 31st March 2022, and its profits for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 subsection (11) of the Act The statement on the matters specified in the paragraphs 3 and 4 of the Order is not applicable to the company.

2. As required by section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.

   e. On the basis of written representations received from the directors as on MARCH 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on MARCH 31, 2020, from being appointed as a director in terms of section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in **Annexure-A**

   g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and accordance to the explanation given to us:

      i. The company does not have any pending litigation which would impact its Financial Positions.

      ii. The company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For, M/s J M PATEL & BROS.,
Chartered Accountants
Firm Registration No.:107707W

CA JASHWANT M PATEL
Partner
Membership No. 030161
Place: Ahmedabad
Date: 18/04/2022
UDIN : 22030161AHQQXU3675

Annexure-A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the Internal Financial Controls over financial reporting of EARUM PHARMACEUTICALS LIMITED ("the Company") as of 31 MARCH 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 MARCH 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, M/s. J M PATEL & BROS.,

Chartered Accountants

Firm Registration No.:107707W

CA JASHWANT M PATEL

Partner

Membership No. 030161

Place: Ahmedabad
Date: 18/04/2022
UDIN : 22030161AHQQXU3675

EARUM PHARMACEUTICALS LIMITED

CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

BALANCE SHEET AS ON 31st MARCH 2022

	Particulars	Note No.	As at 31st March,2022	As at 31st March,2021
			Rs.	Rs.
I.	**ASSETS**			
	Non-Current Assets			
1	(a) Fixed Assets	**3**	5,806,473	7,609,452
	(i) Tangible Assets			
	(ii) Intangible Assets		-	-
	(iii) Capital Work-In-Progress		-	-
	(iv) Intangible Assets under Development		-	-
	(b) Non-Current Investments	**4**	-	-
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long-Term Loans and Advances		-	-
	(e) Other Non-Current Assets		-	-
2	**Current Assets**			
	(a) Current Investments			
	(b) Inventories	**5**	122,489,603	154,636,031
	(c) Trade Receivables	**6**	150,426,785	106,729,523
	(d) Cash and Cash Equivalents	**7**	529,891	585,120
	(e) Short-Term Loans and Advances	**8**	5,747,707	6,191,925
	(f) Other Current Assets	**9**	2,942,975	2,942,975
	TOTAL > > > > >		**287,943,434**	**278,695,026**
II.	**EQUITY AND LIABILITIES**			
1	**Shareholders Funds**			
	(a) Share Capital	**10**	123,358,200	61,679,100
	(b) Reserves and Surplus	**11**	43,894,499	83,332,706
	(c) Money Received Against Share Warrents			-
2	**Share Application Money Pending Allotment**			-
3	**Non-Current Liabilities**			
	(a) Long-Term Borrowings	**12**	-	23,789,334
	(b) Deferred Tax Liabilities (Net)	**13**	106,703	106,703
	(c) Other Long Term Liabilities			
	(d) Long-Term Provisions			
4	**Current Liabilities**			
	(a) Short-Term Borrowings	**14**	87,399,254.47	89,529,995.00
	(b) Trade Payables			
	i). Total outstanding dues of micro enterprise and small enterprise	**15**	-	-
	ii). Total outstanding dues of creditors other than micro enterprise and small enterprise		12,060,021	12,941,885
	(c) Other Current Liabilities	**16**	10,829,012	3,498,800
	(d) Short-Term Provisions	**17**	10,295,745	3,816,502
	TOTAL > > > > >		**287,943,434**	**278,695,026**

As per our report of even date

For, Earum Pharmaceuticals Limited

For,M/s. J M PATEL & BROS., FRN:107707W

BHUMISHTH PATEL

(Managing Director)

DIN - 02516641

PAYAL PATEL

(CFO &Whole Time Director)

DIN -05300011

CA JASHWANT M PATEL (M. NO: 030161)

PLACE:AHMEDABAD

DATE: 18/04/2022

PRIYA RAVAL

COMPANY SECRETARY

UDIN : 22030161AHQQXU3675

EARUM PHARMACEUTICALS LIMITED

CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

PROFIT & LOSS ACCOUNT FOR THE TWELVE MONTH PERIOD ENDED ON 31ST March 2022

	Particulars	Note No.	For the Period Ended 31st March 2022	For the Period Ended 31st March 2021
			Rs.	Rs.
I.	Revenue from Operations	18	210,356,380	410,836,799
II	Other Income	19	77,035,654	89,320,755
	Total Revenue (I + II)		287,392,034	500,157,554
III.	**Expenses:**			
	Purchases of material	20	218,254,247	483,416,010
	Changes in Inventories	21	32,146,428	(20,693,541)
	Employee Benefits Expenses	22	409,820	2,929,500
	Finance Costs	23	822,588	9,305,005
	Depreciation and Amortization expense	2	1,181,685	1,230,536
	Other Expenses	24	3,760,365	22,793,540
	Total Expenses		256,575,132	498,981,050
IV.	**Profit before exceptional and extraordinary items and tax (III-IV)**		30,816,902	1,176,504
V.	Exceptional Items			
	Prior Period Expenses			
VI.	**Profit Before Extraordinary Items and Tax (V - VI)**		30,816,902	1,176,504
VIII.	Extraordinary Items			
IX.	**Profit before tax (VII- VIII)**		30,816,902	1,176,504
X	Tax expense:			
	(1) Current tax		8576009	294125
	(2) Deferred tax		0	0
XI	**Profit (Loss) for the period from continuing operations (VII-VIII)**		22,240,893	882,379
XII	Profit/(loss) from discontinuing operations		-	-
XIII	Tax expense of discontinuing operations		-	-
XIV	**Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)**		-	-
XV	**Profit (Loss) for the period (XI + XIV)**		22,240,893	882,379
XVI	**BALANCE BROUGHT FROM PREVIOUS YEAR**		-	-
XVII	**BALANCE CARRIED TO BALANCE SHEET**		22,240,893	882,379
XVIII	**Earnings per equity share:**			
	(1) Basic		0.361	0.007
	(2) Diluted		0.361	0.007

As per our report of even date

For,M/s. J M PATEL & BROS.,
FRN:107707W

For, Earum Pharmaceuticals Limited

CA JASHWANT M PATEL
(M. NO: 030161)

BHUMISHTH PATEL
(Managing Director)
DIN -02516641

PAYAL PATEL
(CFO &Whole Time Director)
DIN-05300011

PLACE:AHMEDABAD
DATE: 18/04/2022

PRIYA RAVAL
COMPANY SECRETARY

UDIN : 22030161AHQQXU3675

CASH FLOW STATEMENT

	For the Year Ended 31st March 2022	For the Year Ended 31st March 2021
Cash flows from operating activities		
Profit before taxation	30,816,902	1,176,504
Adjustments for:		
Depreciation	1,181,685	1,230,536
Investment income		-
Deferred tax Liability		-
Interest expense	822,588	9,305,005
Profit / (Loss) on the sale of property, plant & equipment		-
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(43,697,262)	62,808,188
(Increase) / (Decrease) in inventories	32,146,428	(20,693,541)
(Increase) / (Decrease) in Short Term Loan & Advance	444,218	4,229,745
(Increase) / (Decrease) in Other Current Assets	-	6,238,152
Increase / (Decrease) in Trade payables	-	(115,124,059)
Increase / (Decrease) in Short term Provisions	6,479,243	(2,541,891)
Increase / (Decrease) in Other Current Liabilities	7,330,212	(7,987,981)
Cash generated from operations	35,524,013	(61,359,341)
Interest paid	(822,588)	(9,305,005)
Income taxes paid	(8,576,009)	(294,125)
Dividends paid		
Net cash from operating activities	26,125,416	(70,958,472)
Cash flows from investing activities		
Business acquisitions, net of cash acquired	-	30,270,000
Purchase of property, plant and equipment	-	(876,250)
Proceeds from sale of equipment	621,292	-
Acquisition of portfolio investments	-	-
Investment income	-	-
Net cash used in investing activities	621,292	29,393,750
Cash flows from financing activities		
Proceeds from issue of share capital	-	-
Proceeds from long-term borrowings	(23,789,334)	10,095,916
Proceeds from Short-term borrowings	(2,130,741)	18,858,421
Payment of Share Application Money		-
Share Capital Issue With Security Premium		-
Net cash used in financing activities	(25,920,075)	28,954,337
Net increase in cash and cash equivalents	**826,633**	**(12,610,385)**
Cash and cash equivalents at beginning of period	**(12,356,766)**	**253,618**
Cash and cash equivalents at end of period	**(11,530,131)**	**(12,356,766)**

As per our report of
even date

For, Earum Pharmaceuticals Limited

For,M/s. J M
PATEL & BROS.,
FRN:107707W

BHUMISHTH PATEL PAYAL PATEL

(Managing Director) (CFO & Whole Time Director)

CA JASHWANT M PATEL
05300011 (M. NO: 030161)

DIN -02516641 DIN-

PLACE: AHMEDABAD
PRIYA RAVAL

COMPANY SECRETARY

DATE: 18/04/2022

UDIN : 22030161AHQQXU3675

EARUM PHARMACEUTICALS LIMITED

NOTE: 1 SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India, including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian Rupees rounded off to the nearest rupees in lakhs, unless wherever specifically mentioned otherwise.

(b) USE OF ESTIMATES:

The preparation of financial statement in conformity with Generally Accepted Accounting Principles require management to make estimate and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statement. Actual result could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(c) REVENUE RECOGNITION:

Sales are net of excise duty.

(d) FIXED ASSETS

The Gross Block of Fixed Assets is shown at historical cost, which includes taxes and other identifiable direct Expenses, less impairment loss. The cost of fixed assets includes the cost of acquisition including freight, taxes, duties and other identifiable direct expenses, except otherwise specifically excluded and expressed by way of note, attributable to acquisition of assets up to the date the asset put to use.

(e) DEPRECIATION

Depreciation is provided on straight-line method at the rates and in themanner specified in Schedule XII of the Companies Act, 2013.

(f) INVESTMENT

Investments are valued at cost

(g) VALUATION OF INVENTORIES:

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any, except in case of by-products, which are valued at net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

(h) EARNING PER SHARE:

Basic earnings per share are calculated by dividing profit for the year attributable to the equity shareholder by weighted average number of equity shares outstanding during the year. The diluted EPS is the same as basic EPS.

(i) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENTASSETS:

Provisions are recognized in respect of obligations where, based on the evidence available, their existence at the balance sheet date is considered probable.

Contingent liabilities are shown by way of notes to the accounts in respect of obligations where, based on the evidence available, their existence at the Balance Sheet date is considered not probable.

Any contingent asset is not recognized in the Accounts

(j) TREATMENT OF RETIREMENT BENEFITS:

At present there is no eligible employee for payment of Gratuity. Leave encashment payable to employees is provided in the accounts on accrual basis.

(k) TAXATION:

Income taxes comprises of current & deferred taxes. Current taxes are measured at the amount expected to be paid to the income tax authorities in accordance with the Income Tax Act, 1961. Deferred income tax reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(l) BORROWING COSTS

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial

period of time to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(m) CONTINGENCIES AND EVENTS OCCURRING AFTER THEBALANCE SHEET DATE

All contingencies and events occurring after the Balance Sheet date, which have a material effect on the financial position of the Company, are considered for preparing the financial statements.

NOTE: 2 Additional Information to the Financial Statements:

1. The previous year figures have been regrouped / reclassified, whereverNecessary to confirm with the figures of current year.

2. In the opinion of the Board and to the best of their knowledge and belief, the value on realization of the current Assets, Loans and Advances in the ordinary course of the business will not be less than the amount stated in the Balance Sheet.

3. **Micro and Small Scale Business Enterprises :**

   The management has initiated the process on identifying enterprises which have been providing goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprise Development Act, 2006. Accordingly, the disclosures requirement here under is not furnished.

4. Debit & Credit balances of outside parties (Including Debtors, Creditors, Loans Given and Loan taken) appearing in Balance Sheet is subject to confirmation by the respective parties.

5. The Company has taken unsecured loans/deposits from Directors Shareholders and other parties as per the stipulations of loan/credit facilities taken from Bank.

6. Quantity of inventories is based upon physical verification by the management and valuation is based on details of cost and realizable value (wherever applicable) considering the quality and other relevant factors ascertained by management. The quantities of inventories, sales and purchases are taken based on details worked out from the bills and the stock records maintained by the company (whereverapplicable).

7. Wherever the sufficient supporting is not available for the expenditure incurred by the company we have relied on the explanations given by the management.

8. Related Parties: As per AS-18 issued by ICAI, there are no relatedparty transactions during the year.

9. During the year the company does not have any foreign transactions/ exchange earnings or loss.

For, M/s. J M PATEL & BROS., Chartered Accountants **For and on behalf of the Board of EARUM PHARMACEUTICALS LIMITED**

Firm Registration No.:107707W

CA JASHWANT M PATEL
Partner
Membership No. 030161
Place: Ahmedabad Date: 18/04/2022
UDIN : 22030161AHQQXU3675

BHUMISHTH PATEL
(Director)

PAYAL PATEL
(Director)

Note: 03 : FIXED ASSET

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-21	Additions during the year	Deletions during the year	As at 31-Mar-22	Upto 01-Apr-21	During the Period	Deletion uring the perio	Total upto 31-Mar-22	As at 31-Mar-22	As at 31-Mar-21
Tangible Asset										
Computer	452,680.00	-	-	452,680.00	238,771.00	85,563.00	-	324,334.00	128,346.00	213,909.00
Elecronic Installation	184,552.00	-	-	184,552.00	56,718.00	19,175.00	-	75,893.00	108,659.00	127,834.00
Furniture & Fixture	2,118,919.00	-	-	2,118,919.00	465,686.00	165,323.00	-	631,009.00	1,487,910.00	1,653,233.00
Mobile Instrutment	955,834.00	-	-	955,834.00	308,784.00	258,820.00	-	567,604.00	388,230.00	647,050.00
Air Conditioner	474,234.00	-	-	474,234.00	153,998.00	48,095.00	-	202,093.00	272,140.00	320,236.00

CCTV	128,845.00	-	-	128,845.00	112,572.00	6,509.00	-	119,081.00	9,764.00	16,273.00
CAR (Fortuner)	3,772,214.00	-	-	3,772,214.00	776,903.00	449,296.50		1,226,199.50	2,546,014.50	2,995,311.00
Bolero (Pickup)	681,250.00	-	681,250.00	-	-	-			-	681,250.00
SCALE Machine	3,000.00	-	1,791.00	1,209.00	1,209.00			1,209.00	-	1,791.00
Stripping Machine	32,955.00	-	18,085.00	14,870.00	14,870.00		-	14,870.00	-	18,085.00
Office Equipment	1,354,589.00	-	-	1,354,589.00	361,896.00	148,903.50	-	510,799.50	843,788.50	992,693.00
Intangible Asset										
Trade Mark	90598	-	-	90,598.00	68977.00		0	68,977.00	21,621.00	21621
Total	10,442,111.00	-	701,126.00	9,548,544.00	2,560,384.00	1,181,685.00	-	3,742,069.00	5,806,473.00	7,609,452.00
Previous Year	-	-	-	-	-	-	-	-	-	-

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

NOTES FORMING PART OF FINANCIAL STATEMENTS

NOTE :04 : NON CURRENT INVESTMENT

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
a. Non Current Investment (Investment in Cedac Medicorp -55%)	-	-
Total > > > > > > > > > >	-	-

NOTE :05 : INVENTORY

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Stock of Raw Material/Stock in Trade	122,489,603	154,636,031
Total > > > > > > > >>	**122,489,603**	**154,636,031**

Note 06 : TRADE RECEIVABLES

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Unsecured, Considered Good		
(i) Outstanding for a period exceeding 6 months		
(ii) Others [Within 6 months]	150,426,785	106,729,523
Total > > > > > > > > >	**150,426,785**	**106,729,523**

Note 07 : CASH & CASH EQUIVALENTS

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
(a) Cash on hand	**529,891**	**585,120.00**
(b) Cheques, drafts on hand	-	-
(c) Current Accounts	-	-

In current accounts **(d) Others (specify nature)**	**-**	**-**
Total > > > > > > > > > >	**529,891**	**585,120**

Note 08 : SHORT TERM LOANS AND ADVANCES

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
a. **Loans and advances to related parties** Secured,	-	-
considered good Unsecured,	-	-
considered good Doubtful	-	-
Less:Provision for doubtful loans and advances	-	-
Total (a) > > > > > >	-	-
b. **Loans and advances to other parties** Secured, considered good	2,720,449	3,439,590
Unsecured, considered good Doubtful	**2,720,449**	**3,439,590**
Less:Provision for doubtful loans and advances	3,027,258	2,752,335
Total (b) > > > > > >	**3,027,258**	**2,752,335**
c. **Balances with government authorities** Unsecured, considered good		
Total (c) > > > > > >		
Total (a+b+c) > > > > > >	**5,747,707**	**6,191,925**

Note 09 : OTHER CURRENT ASSETS

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Other Current Assets		
1. TDS Receivable	-	-
2. Advance From Creditors	2,942,975	2,942,975
Total > > > > >	**2,942,975**	**2,942,975**

Note : 10 SHARE CAPITAL

Particulars	As at 31st March 2022		As at 31st March 2021	
	Number	Rs.	Number	Rs.
Authorised				
Equity Shares of 2/- each	61,750,000	123,500,000	7,000,000	70,000,000
Issued				
Equity Shares of 2/- each	61,679,100	123,358,200	6,167,910	61,679,100
Subscribed & Paid up				
Equity Shares of 2/-each fully paid	61,679,100	123,358,200	6,167,910	61,679,100
Subscribed but not fully Paid up				
Equity Shares of 2/- each, not fully paid up	-	-	-	-
Total > > > >	**61,679,100**	**123,358,200**	**6,167,910**	**61,679,100**

>				

Note 10.A: RECONCILIATION OF THE NUMBER OF SHARES

Particulars	Equity Shares	
	Number	Rs.
Shares outstanding at the Beginning of the year	6,167,910	61,679,100
Shares Issued during the year	6,167,910	61,679,100
Shares bought back during the year	-	-
Shares outstanding at the year ended	12,335,820	123,358,200

Note 10.B: TERMS/RIGHT ATTACHED TO EQUITY SHARES

The company has only one class of shares i.e. Equity Shares having a face value of ` 2 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

Note 10.C: Shareholder holding more than 5% shares as at the Balance Sheet date

Sr. No.	Name of Shareholders	As at 31st March 2022		As at 31st March 2021	
		No. of Shares held	% Holding	No. of Shares held	% Holding
1	Mr. Bhumishth Patel	11,161,709	18.10	1,751,330	28.39
2	Mrs. Payal Patel	14,242,830	23.09	1,751,330	28.39
3	Mr. Narendra Patel	3,121,453	5.06	408,590	6.62
4	Mrs. Sushilaben Patel	2,439,881	3.96	408,618	6.62
Total > > > > >		**30,965,873**	**50.21**	**4,319,868**	**70.02**

NOTES FORMING PART OF FINANCIAL

STATEMENTS Note 11 : RESERVES & SURPLUS

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
a. Surplus		
Opening balance	19,034,374	18,151,995
(+) Net Profit/(Net Loss) For the current year	22,240,893	882,379
(+) Add/(utilisation) of Reserve	(19,034,374)	-
Closing Balance	22,240,893	19,034,374
b. Securities Premium Reserve	21,653,606	64,298,332
Total > > > > > > > > >	**43,894,499**	**83,332,706**

Note 12: Long Term Borrowing

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Secured Loan		
Unsecured Loan		
(a) Loans and advances from Directors and relatives (Unsecured and considered Good)	-	**23,789,334**
Total > > > > >	-	**23,789,334**

Note : 13 : DEFFERED TAX LIABILITY

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Deferred Tax Liability/(Asset)		
Opening Balance	106,703	106,703
Add: DTL Created during the Year	-	-
Closing Balance	**106,703**	**106,703**
Total > > > > >	**106,703**	**106,703**

Note 14: Short Term Borrowing

Particulars	As at 31st March 2022	As at 31st March 2021
	Rs.	Rs.
Secured Loan		
(a) OD Acccount		
SBI	70,008,269	70,598,527.00
SBI-CCECL	4,431,468	4,931,468.00
(TERM LOAN)	12,959,517	14,000,000.00
SBI-GECL (TERM LOAN)		
(Secured by Hypothication on Inventory cum Book Debts/CurrentAssets ofthe Company)		
Total > > > > >	**87,399,254**	**89,529,995**

Note: 15 : TRADE PAYABLES

Particulars	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
a. Trade Payables for Goods		
Micro, Small & Medium Enterprises Others	12,144,121	12,895,918
Total > > > > >	**12,144,121**	**12,895,918**
b. Trade Payables for Assets		
Micro, Small & Medium Enterprises Others	-	-
Total > > > > >	**-**	**-**
c. Trade Payables for Expenses		
Micro, Small & Medium Enterprises Others	(84,100)	45,967
Total > > > > >	**(84,100)**	**45,967**
Grand Total (a + b + c) > > > > >	**12,060,021**	**12,941,885**

Note : 16 : OTHER CURRENT LIABILITY

Particulars	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
(a) **Duties & Taxes**		
Tds Payable	15,445	1,405,141
TCS Payable	-	2,740
GST Payable	892,367	2,090,919
	9,921,200	-
(b) **Loans and advances From Director and relatives**		
Total > > > > > > > > >	**10,829,012**	**3,498,800**

Note : 17 : OTHER SHORT TERM PROVISION

Particulars	As at 31st March 2022 Rs.	As at 31st March 2021 Rs.
Provision for Income Tax	10,235,745	3,756,502
Unpaid Audit Fees	60,000	60,000
Total > > > > > > > > >	10,295,745	3,816,502

EARUM PHARMACEUTICALS LIMITED
CIN:L24230GJ2012PLC071299

G-1, Ground Floor ,V R Complex ,Nr Sanathal Cross Road ,S P Ring Road ,Sanathal ,Ahmedabad-382210

NOTES FORMING PART OF FINANCIAL

STATEMENTS Note 18 Note 18: REVENUE FROM OPERATIONS

Particulars	For the Period ended 31 March, 2022	For the Period ended 31 March, 2021
	Rs.	Rs.
a. Sale of Products :	210,356,380	410,836,799
Total > > > > >	**210,356,380**	**410,836,799**

Note 19 : OTHER INCOME

Particulars	For the Period ended 31 March, 2022	For the Period ended 31March, 2021
	Rs.	Rs.
Discount/ Kasar - Vatav Income	1,288	2,018,125
Sales Commission Income	77,023,009	86,398,363
Creditors w/off	-	730,514
Freight on Sales	11550	15,330
Other Income	-192.35	158,423
Total > > > > >	**77,035,654**	**89,320,755**

Note 20 : PURCHASE OF MATERIAL

Particulars	For the Period ended 31 March, 2022	For the Period ended 31March, 2021
	Rs.	Rs.
Purchase	218,254,247	483,416,010
Total > > > > >	**218,254,247**	**483,416,010**

Note : 21 : INCREASE/DECREASE IN STOCK

Particulars	For the Period ended 31 March, 2022	For the Period ended 31March, 2021
	Rs.	Rs.
Opening Balance Of Stock in trade	154,636,031.00	133,942,490
Less: Closing Balance Of Stock in Trade	122,489,603.00	154,636,031
Increase/Decreas in Stock in Trade	32,146,428.00	(20,693,541)
Total > > > > >	**32,146,428.00**	**(20,693,541)**

Note 22: EMPLYEE BENEFIT EXP.

Particulars	For the Period ended 31 March, 2022	For the Period ended 31March, 2021
	Rs.	Rs.
Salary/Wages Exp	383,500	2,929,500
Staff Welfare Exp	26,320	-
Total > > > > >	**409,820**	**2,929,500**

Note 23: FINANCIAL EXP.

Particulars	For the Period ended 31 March, 2022	For the Period ended 31 March, 2021
	Rs.	Rs.
Bank Charges	1,004	68,510
Interest on CC A/c	821,584	7,427,117
Interest on USL	-	367,950
Interest on CAR Loan	-	-
Interest on Loan	-	1,440,721
Loan Processing Fees	-	-
Interest Expense	-	707
Prepayment Charges	-	-
Total > > > > >	**822,588**	**9,305,005**

Note 24 : OTHER EXPENSES

Particulars	For the Period ended 31 March, 2022	For the Period ended 31March, 2021
	Rs.	Rs.
Direct Expenses		
Freight & Insurance Charges	103,297	158,640
Pro~~duct Permission~~ Charges	-	5,600
Rate Difference	58,918	-
Indirect Expenses		
Audit Fees	75,000	128,450
Computer Repairs & Maintanance	4,000	67,766
Conveyance Expenses	34,842	-
Electricity Charges	-	81,600
Insurance Charges	-	213,488
Internet Exp	12,390	8,718
Legal & Professional Charges	745,618	561,255
Office Expenses	264,529	897,906
Rent Expense	25,000	346,000
Petrol & Diesel Expenses	172,364	146
Postage & Courier Charges	-	8,640
Repair & Maitnanace	127,349	133,244
ROC Charges	-	13,500
Sales Commission Expenses	1,845,455	17,900,014
Sales Promotion Expenses & Marketing Expense	42,353	1,885,745
Stationery & Printing Expenses	39,943	53,471
Telephone Expenses	6,273	24,552
GST Penalty	-	264,385
Travelling Expenses	168,158	14,162
Other Expenses	34,876	26,258
Total > > > > >	**3,760,365**	**22,793,540**

CAPITALISATION STATEMENT

The following table sets forth our capitalisation as at 31st March, 2022, on the basis of Audited Financial Statements:

(in Lakhs)

Particulars	Pre-Offer as at 31st March, 20222	As adjusted for the Offer*
Borrowings:		
Current borrowings (A)	873.99	[●]
Non-Current borrowings (including Current Maturity) (B)	-	[●]
Total Borrowings (C = A + B)	873.99	[●]
Total equity:		
Equity Share capital (D)	1233.58	[●]
Other Equity (E)	438.94	[●]
Total equity (F=D+E)	**1672.52**	**[●]**
Non-Current borrowings (including current maturity) / Total Equity ratio (B / F)	**0.00**	[●]
Total borrowings / Total Equity ratio (C / F)	**0.52**	[●]

To be updated in the Letter of Offer

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 77 of this Draft Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 24 and 17, respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. You should read the following discussion in conjunction with our Consolidated Financial Statements and Pro Forma Financial Statements included herein as of and for the Six months ended September 30, 2022 and the Financial Years ended March on 31, 2022 and 2021, including the related notes, schedules and annexures included in this Draft Letter of Offer. For further information, see "Financial Statements" beginning on page 77 of this Draft Letter of Offer.

1. COMPANY OVERVIEW:

Incorporated in the year 2012, Our Company is engaged in the pharmaceutical business involving marketing, trading and distribution of wide range of pharmaceutical formulation products such as anti-biotic drugs, anti-malarial drugs, anti-allergic & anti cold drugs, analgesic/ anti-pyretic & anti inflammatory drugs, dermatology products, cerebral activator drugs, neurological drugs, gastro intestinal drugs, steroids, gynecology drugs, calcium, multivitamins, anti-oxidants and injections. Apart from pharmaceutical formulation products, we also deals in trading of active pharmaceutical ingredients (API's) such as Levofloxacin Hemihdrate IP, Albendazol IP, Amoxicillin Trihydrate IP etc.

2. OVERVIEW OF THE ECONOMY:

The world pharmaceutical market was worth an estimated $1.2 trillion at ex-factory prices in 2020. It is one of the top performing industries globally. New medications are constantly being developed, approved and marketed, resulting in significant market growth. The FDA approved 55 novel drugs in 2021. Other market growth drivers include the aging population, as seniors use more medicines per capita and there is a rise in the prevalence and treatment of chronic diseases. However, the industry faces many challenges including regulatory hurdles, escalating R&D costs, and competition from generic drugs and biosimilars.

The pharmaceutical industry, one of the most profitable industries in the world, is under significant pressure to bring in cost-effective and innovative drugs. The discipline of precision medicine and genomic medicine has gained significant interest from researchers and healthcare providers globally. Already, it is making an impact in the fields of oncology, pharmacology, rare and undiagnosed diseases, and infectious disease, and its popularity is expected to grow significantly in coming years. Sensing the huge opportunity in the field of precision medicine and genomic medicine, several big pharma companies have been making huge investments to expand their precision and genomic medicine portfolios and pipelines. The number of personalized drugs is expected to double or even triple in the upcoming years.

India

Although the economy is being steadily supported by multiple fiscal measures announced by the government to ease supply constraints and inject liquidity, the path to recovery has been inconsistent. The pandemic mounted additional pressures on the already stressed Indian economy, which saw a steep economic slowdown, and is reported by National Statistical Office (NSO) to have contracted by 7.7% in FY 2021. The service and industry sector were affected by the pan-Indian restriction on movement, impacting income and consumption patterns. There were signs of revival in the latter half of the year, boosted by pent up demand and the upcoming festive season.

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
8.2	7.0	6.1	4.2	-7.7

Multiple economic indicators contributed positively towards broad-based resurgence of economic activity. The path to recovery will carry likelihood of further mobility restrictions, less stringent restrictions, targeted lockdown approach, and shorter duration of lockdowns, going forward. Resilient consumer and business behaviour to the New Normal will

mitigate the economic impact of the second wave.

3. INDUSTRY OVERVIEW: World market:

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with the potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

Growth of omni-channel with focus on digital:

The pandemic accelerated the adoption of multiple contactless services, including video and WhatsApp shopping, home delivery and drive-through service. Digital channel adoption for food delivery, grocery to all kind of shopping and services gained a higher share than before. Online sales increased by over 10% (Source: Mckinsey& Company- perspective on Retail and Consumer Goods) across most categories they are available in. The trend is expected to stay with countries having lower online penetration, seeing an uptick in adoption, while those who already have a strong e-commerce set-up, seeinga growth in ticket size.

Preference for value essentials and convenience:

Consumers are speculative about economic revival and growth, the degree of the same varying with impact of COVID-19 in their own country. Consumers are becoming more restrained in their purchases, with trading down for value buying, choosing convenience over anything else and sometimes opting for a combination of both.

Health and 'caring' economy:

Customers are now more cognisant about the perception of the place they are shopping from. They are looking for retailers with advanced safety measures, such as enhanced cleaning and social distancing, healthy and hygienic packaging and those demonstrating concern for employees. Stakeholder engagement has become more important than ever, with the steps taken and opinion created during the pandemic expected to linger in the customers, subconscious.

Catering the Homebody economy:

As the name suggests the 'homebody economy' is fuelled by the at-home consumer. Noticeably, one of the major benefactors of this was the e-commerce platform. Big data analysis and knowing your customer are of paramount importance for targeted advertisements.

Indian markets:

Changes in customer behaviours have been seen domestically too, with COVID-19 derailing India's retail growth by a couple of years. Restriction in operations and supply chain, lower discretionary spend due to lack of secure income flow and health risk comprehension leading to lower footfalls into stores, were some of the factors affecting the India growth story.

The pandemic tested the adaptability of the Indian retail sector, and it has been seen that retail players navigated the crisis by leveraging technology and acceleration of e- commerce growth.

Indian retail industry outlook:

India had been witnessing strong consumption growth for several years now, which was forecast to triple(Source: NASSCOM- Retail 4.0 India Story) by 2030. This has largely been driven by strong fundamentals, including the burgeoning middle and affluent class, urbanisation, nuclearisation and one of the world's youngest population with a hunger for spending. Backed by the world's second-largest consumer base, India's retail industry is emerging among the fastest evolving and digitising sector. With economic activity picking up, as recorded across multiple factors and consumer sentiment, India is expected to be back on its growth trajectory with a delay of 1-2 years.

COVID-19 impact on forces shaping the Indian retail landscape

- Attitude and demographic changes in consumer behaviour
- Disruptions and irregular supplies leading to innovation in supply
- Data and technology driven disruptions reshaping customer shopping preference
- Blurring omni-channel boundaries leading to addition of new competitive forces
- Change in regulations leading to increased local sourcing, labour and storeoperations

4. OPPORTUNITIES AND STRENGTH

--OPPORTUNITIES:

- Online Expansion
- Premiumisation and access to global brands
- Further Growth of Private Brands
- Expanding Beauty and Personal Care Categories
- Digital Innovation
- Focus on analytics

--STREHGTH:

- First Citizens loyalty Programme
- Increased omni Channel presence
- Personal Shoppers Service
- Brand Marketing
- Strong brands across Apparel, Beauty, Accessories and Home
- Robust supply base
- Strong systems, processes and teams
- Corporate Governance

5. CHALLENGE AND THREATS:

--Challenge

- Pandemic impacting footfall at stores
- Accelerated technology adoption
- Inadequate availability of skilled work
- Increased cost of operations

--THREATS

- Economic conditions
- Increased competition
- Industry Disruption
- Marketplace scale in fashion and beauty

6. SEGMENT REVIEW:

The Company operates in single segment.

7. OUTLOOK:

There are significant challenges in the short to medium term as the country races to mitigate the second wave of infections and increase the speed of vaccinating the large populace.

The long-term growth factors of the economy such as favourable demography, stable geo-political environment, and increased urbanisation remain intact and are projected to drive the India growth story in the long term.

8. *INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:*

Your Company has in place an adequate internal financial control system, commensurate with the size and complexity of its operations. Necessary checks and controls are in place to ensure that all assets are safeguarded, to detect and prevent errors and frauds and that the transactions are properly verified, adequately authorized, correctly recorded and properly reported. The Internal Auditors of the Company conduct Audit of various departments to ensure that internal controls are in place and submit Quarterly Reports to the Audit Committee. The Audit Committee regularly reviews these Reports and the Company when needed takes corrective actions. The Internal Auditors also audit the effectiveness of the Company's internal financial control system. No major inefficiencies were reported.

9. *ISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:*

(Amount in Lakhs)

Particulars	**For the year ended 31st March, 2022**	**For the year ended 31st March, 2021**
Income from Operations	2103.56	4108.37
EBITDA (Before exceptional items)	328.20	166.43
Profit/(Loss) after tax	222.41	8.82
Basic & Diluted Earnings per Share (EPS)	0.361	0.007

The Company recorded total revenue of Rs. 2103.56/- Lakh during the year under review as against Rs. 4108.37/- Lakh. The profit after tax for the year ended 31st March, 2022is Rs.222.41/- Lakh as against Rs. 8.82/-Lakh.

10. *MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:*

The Company firmly believes that motivated and empowered employees are the cornerstone of competitive advantage. The Company's employee value proposition is based on a strong focus on employee development, providing a satisfying work environment, performance appraisal and counseling and appropriate empowerment. The Company continues to maintain and enjoy a cordial relationship with its employees, providing positive environment to improve efficiency with regular investments in upgrading the knowledge and skills of the employees.

Industrial relations with staff and workmen during the year under review continued to be cordial.

11. *DISCLOSURE OF ACCOUNTING TREATMENT:*

The Company has followed all the treatments in the Financial Statements as per the prescribed Accounting Standards.

12. *CAUTIONARY STATEMENT:*

The statements in the "Management Discussion and Analysis Report" section describes the Company's objectives, projections, estimates, expectations and predictions, which may be "forward looking statements" within the meaning of the applicable laws and regulations. The annual results can differ materially from those expressed or implied, depending upon the economic and climatic conditions, Government policies and other incidental factors.

Particulars	Six months ended September 30		For the year ended March 31			
	2022		2022		2021	
	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue	(Rs. in lakhs)	% of Total Revenue
Revenue from operations	711.44	100	2103.56	73.19	4108.37	82.14
Other income	0.00	0.00	770.36	26.81	893.21	17.86
Total revenue	**711.44**	**100**	**2873.92**	**100**	**5001.58**	**100**
Cost of material consumed	665.44	93.53	2182.54	75.94	4834.16	96.65
Changes in inventories of finished goods, work-in-progress and stock in trade	35.04	4.93	321.46	11.19	(206.94)	(4.14)
Purchase of Stock in Trade	0.00	0.00	0	0	0	0
Employee Benefits Expenses	0.30	0.04	4.10	0.14	29.30	0.59
Finance Costs	0.00	0.00	8.23	0.29	93.05	1.86
Depreciation and Amortization Expense	2.46	0.35	11.82	0.41	12.31	0.25
Power and Fuel	0.00	0.00	0	0	0	0
Other Expenses	4.53	0.64	37.60	1.31	227.94	4.56
Total expenses	**707.77**	**99.48**	**2565.75**	**89.28**	**4989.81**	**99.76**
Profit before tax	**3.67**	**0.52**	**308.17**	**10.72**	**11.77**	**0.24**
Current year	0.00	0.00	85.76	2.98	2.94	0.06
Deferred Tax	0.00	0.00	0	0	0	0
Total Tax Expenses	**0.00**	**0.00**	**85.76**	**2.98**	**2.94**	**0.06**
Profit for the period from continuing operation	**3.67**	**0.52**	**222.41**	**7.74**	**8.82**	**0.18**
Profit for the period	**3.67**	**0.52**	**222.41**	**7.74**	**8.82**	**0.1**

For the Six month period ended 30th September, 2022

1. **Total Income:**

Our total income was Rs. 711.44 Lakhs for the Six months period ended on 30th September, 2022.

a. Revenue from operations:

Our revenue from operations was Rs. 711.44 Lakhs which represented 100 % of our total revenue for the Six months period ended on 30th September, 2022.

b. Other income:

Other income contributed Nil in the Six months period ended on 30th September, 2022.

2. **Expenses:**

a. Changes in inventories of finished goods, work-in-progress and stock in trade:

Our Changes in inventories were Rs. 35.04 Lakhs which represented 4.93 % of our total revenue for the Six months period ended on 30th September, 2022.

b. Employee benefits expenses:

Our employee benefits expenses were Rs. 0.30 Lakhs, which represented 0.04 % of our total revenue for the Six months period ended on 30th September, 2022.

c. ***Depreciation and amortization expenses:***

Depreciation and amortization expenses were Rs.2.46 Lakhs which represented 0.35% of our total revenue for the Six months period ended on 30th September, 2022.

d. ***Other Expenses:***

Other expenses were Rs.4.53 Lakhs which represented 0.64 % of our total revenue for the Six months period ended on 30th September, 2022.

e. ***Total Expenses:***

Our total expenses were Rs. 707.77 Lakhs which represented 99.48 % of our total revenue for the Six months period ended on 30th September, 2022.

Profit for the period

As a result of the foregoing factors, our profit for the Six months ended 30th September, 2022 was Rs. 3.67Lakhs, representing 0.52 % of total revenue.

Cash Flows of our Company:

Set for the below is a table of selected information from our statements of cashflows for Financial Year 2021 and 2022

.

Particulars	As at 31st March	
	2022	2021
	(Rs. in Lakhs)	
Net cash generated from / (used in) operating activities (A)	261.25	(709.58)
Net cash generated from / (used in) investing activities (B)	6.21	293.94
Net cash generated from / (used in) financing activities (C)	(259.20)	289.54
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**8.27**	**(126.10)**

1. ***Operating Activities***

a. ***Financial Year 2022***

Net cash generated from operating activities was Rs. 261.25 Lakhs for Financial Year 2022. The net profit before tax of Rs. 308.17 Lakhs, as adjusted primarily for depreciation and amortization expenses of Rs. 11.82 Lakhs, interest income expence of Rs. 8.22 Lakhs. Operating profit before working capital was Rs. 328.21 Lakhs. The main adjustments in working capital included decrease in trade and other receivables of Rs. 436.97 Lakhs, decrease in inventories of Rs. 321.46 Lakhs, decrese in loans of Rs. 4.44 Lakhs, increase in Short term Provisions of Rs. 64.79 Lakhs and increase in Other Current Liabilitiesof Rs. 73.30 Lakhs. Cash generated from operations amounted was Rs. 355.24 adjusted to Interest paid of Rs. (8.22) Lakhs and Income taxes paid f Rs. (85.76) Lakhs

b. ***Financial Year 2021***

Net cash generated from operating activities was Rs. (709.58) Lakhs for Financial Year 2021. The net profit before tax of Rs. 11.76 Lakhs, as adjusted primarily for depreciation and amortization expenses of Rs. 12.31 Lakhs, interestexpence of Rs. 93.05 Lakhs. Operating profit before working capital was Rs. 117.12 Lakhs. The main adjustments in working capital included increase in trade and other receivables of Rs. 628.08 increase in inventories of Rs. 206.93 Lakhs, decrease in shortterm loans and advances of Rs. 42.30 Lakhs, decrease in trade payable of Rs. 1151.24 Lakhs, increase in other current assets of Rs. 62.38 Lakhs and dercease in Short term provisions of Rs. (25.42) Lakhs, decrease in other current liability of Rs, (79.88). Cash generated from operations amounted was Rs. 613.59 adjusted to Interest paidof Rs. (93.05) Lakhs and income tax paid of Rs. (2.94).

2. ***Investing Activities***

a. ***Financial Year 2022***

Net cash used in investing activities was Rs. 6.21 Lakhs for Financial Year 2022, primarily due to sale of equipment of Rs. 6.21 Lakhs.

b. ***Financial Year 2021***

Net cash used in investing activities was Rs. 293.94 Lakhs for Financial Year 2021, primarily due to purchase of property, plant and equipment of Rs. (8.76) Lakhs and Business acquisitions, net of cash acquired of Rs 302.7.

3. ***Financing Activities***

a. ***Financial Year 2022***

Net cash used in financing activities was Rs.(259.20) Lakhs for Financial Year 2022, primarily due to long-term borrowings (Net) of Rs. (237.89) Lakhs, Short-term borrowings of Rs. (21.31)

b. ***Financial Year 2021***

Net cash generated from financing activities was Rs. 289.54 Lakhs for Financial Year 2021, primarily due to proceeds from long-term borrowings (net) of Rs.100.96 Lakhs, and short term borrowing of Rs. 188.58.

Contingent Liabilities

We have no contingent liabilities as on 31st March, 2022.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

1. **Quantitative Disclosure about Market Risk**

Commodity price risk

Commodity price risk is the possibility of impact from changes in the prices of raw materials and components used in our products. The costs for these materials and components are subject to fluctuation based on commodity prices. The costs of various components sourced from third party manufacturers may also fluctuate based on their availability from suppliers.

Credit risk

We are exposed to credit risk from our operating and financial activities. We manager credit risk in relation to our customers by ensuring that our marketing department follows our establish policies, procedures and controls, and by reviewing the creditworthiness of our customers on an on-going basis.

Liquidity risk

We may experience liquidity risk due to the accumulation of receivables due from our clients which expose us to the risk of not being able to meet our obligations. The senior management team of our Company oversees our processes and policies are formulated to minimise such risk.

2. **Qualitative Disclosure about Market Risk**

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on page *24* and page *100* respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "Risk Factors" on page *23* of this Letter of Offer.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described in the section titled "Risk Factors" and chapter titled "Management's Discussion and Analysis of Financial Conditions and Results of Operations" beginning on pages *24, 100 and 64* respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like quality products, brand loyalty and timely supply, we will be able to stay competitive. For further details, kindly refer the chapter titled "Our Business" beginning on page *64*.

Total Turnover of Each Major Business Segment

The Company operates in single segment in context of accounting standards 17 on Segment Reporting issued by ICAI.

New Product or Business Segment

Except as disclosed in "Our Business" on page *64* we have not announced and do not expect to announce in the near future any new products or business segments.

Seasonality of Business

Our business is seasonal in nature, for further reference; please refer section title "Risk Factor" on page *24* of this draft letter of offer.

Significant dependence on a Single or Few Suppliers or Customers

We are not under threat of dependence from any single supplier or customer.

Significant Developments since last balance sheet date

To our knowledge no circumstances have arisen since 30th September, 2022, the date of the last financial information disclosed in this draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

As on 31st March, 2022, our Company does not have any outstanding secured borrowing and unsecured borrowing.

For further details, kindly refer the chapter titled "Financial Information" beginning on page 72 of this draft letter of offer.

MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for BSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Yearly Stock Market Quotation at BSE

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

FY	High (in Rs.)	Number of shares	No. of shares traded	Low (in Rs.)	Total Turnover	Average Price (in Rs.)
2022	12.00	21,78,21,851	2,92,131	2.21	1,16,42,54,513	7.105
2021	137.70	1,93,29,385	54,440	10.00	63,72,23,143	73.85
2020	87.50	43,84,500	1,421	43.35	27,53,85,675	65.425

(Source: www.bseindia.com)

Notes: High, low and average prices are based on the daily closing prices. In case of two days with the same high or low price, the date with the high volume has been considered.

Monthly Stock Market Quotation at BSE

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

Month and Year	High	Number of shares	No. of shares traded	Low	Total Turnover	Average Price (in Rs.)
December, 2022	3.8	2,21,48,741	21,321	2.35	6,57,36,487	3.08
November, 2022	2.82	89,59,231	11,910	2.21	2,23,56,147	2.52
October, 2022	2.94	66,56,569	s11,815	2.52	1,82,82,893	2.73
September, 2022	3.55	3,00,37,967	19,074	2.28	8,47,78,602	2.92
August, 2022	3.18	2,85,76,774	24,138	2.49	7,71,81,944	2.84
July, 2022	4.36	1,58,13,555	18,154	3.01	5,38,14,851	3.69

(Source: www.bseindia.com)

In the event the high or low or closing price of the Equity Shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter

SECTION VIII – LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

SECTION VII – LEGAL AND OTHER

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per a policy adopted by our Board ("Materiality Policy"), in each case involving our Company, Promoters and Directors (the "Relevant Parties").

Except as stated in this section, there are no Outstanding Material Dues (as defined below) to creditors; or outstanding dues to small scale undertakings and other creditors.

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Letter of Offer.

PART I –LITIGATIONS INVOLVING OUR COMPANY

A. LITIGATIONS AGAINST OUR COMPANY

1. Criminal Litigations
NIL
2. Civil Proceedings
NIL
3. Taxation Matters

Direct and Indirect Taxes

INCOME TAX		
Assessment Year	**Tax Liability (in `Lacs)**	**Date of order**
Income Tax		
2019-20	3.86	17-12-2020
Total	**3.86**	

4. Proceedings against Our Company for economic offences/securities laws/ or any other law
NIL
5. Penalties in Last Five Years
NIL
6. Pending Notices against our Company
NIL
7. Past Notices to our Company
NIL
8. Disciplinary Actions taken by SEBI or stock exchanges against Our Company
NIL
9. Defaults including non-payment or statutory dues to banks or financial institutions
NIL
10. Details of material frauds against the Company in last five years and action taken by the Companies.
NIL

B. LITIGATIONS FILED BY OUR COMPANY

1. Criminal Litigations

1. ***Earum Pharmaceuticals Private Limited (Complainant) v/s Royal Medicose (Accused)***

Our Company has filed a suit against one of our customer, Royal Medicose (proprietor Mr. Sachin Nawalkishor Nashine) under Section 138 of the Negotiable Instruments Act, 1881 (Criminal case no. 5727/2019) in District Court, Ahmedabad. The accused has issued cheque bearing no. 000065 in favour of complainant of Rs. 13.46 lakhs which was dishonored and returned by the bank on 29.01.2019 with remark 'Fund insufficient', thus a complaint under section 138 of N.I act has been filed by the Complainant through its Director Mr. Bhumishth N. Patel. The next date of hearing has been scheduled on February 07, 2023.

2. Earum Pharmaceuticals Private Limited (Complainant) v/s M/s. On Bio Science and Mr. Jay Pankajbhai Kansara (Accused)

Our Company has filed a suit against M/s. On Bio Science and Mr. Jay Pankajbhai Kansara under Section 138 of the Negotiable Instruments Act, 1881 (Criminal case no. 2700/2020) in District Court, Ahmedabad. The accused has issued cheque bearing no. 000751 dated August 26, 2019 of Rs. 3.49 Lacs which was dishonored and returned by the bank on 18.11.2019 with remark 'Fund insufficient', thus a complaint under section 138 of N.I act has been filed by the Complainant through its Director Mr. Narendra Gangaram Patel. The next date of hearing has been scheduled on March 10, 2023

3. Earum Pharmaceuticals Private Limited (Complainant) v/s M/s. United Pharma Chem and Mr. Nidhish Pankajbhai Kansara (Accused).

Our Company has filed a suit against M/s. United Pharma Chem and Mr. Nidhish Pankajbhai Kansara under Section 138 of the Negotiable Instruments Act, 1881 (Criminal case no. 2698/2020) in District Court, Ahmedabad. The accused has issued cheque bearing no. 000729 dated August 24, 2019 of Rs. 0.81 Lacs which was dishonored and returned by the bank on 18.11.2019 with remark 'Fund insufficient', thus a complaint under section 138 of N.I act has been filed by the Complainant through its Director Mr. Narendra Gangaram Patel. The next date of hearing has been scheduled on March 10, 2023.

2. Civil Proceedings
NIL

3. Taxation Matters
NIL

4. Details of any enquiry, inspection or investigation initiated under Companies Act, 2013 or any previous Company Law.
NIL

PART II –LITIGATIONS INVOLVING DIRECTOR(S) OF OUR COMPANY

A. LITIGATIONS AGAINST DIRECTOR(S) OF OUR COMPANY

Criminal Litigations

1. Mr. Amit Rameshchandra Patel Owner of Krishna Enterprise against M/s. Cedac Medicorp, Mr. Bhumishth Patel, Ms. Payal Bumishth Patel, Dhayabhai Magatbhai Patel and Mr. Bhavik Shantilal Patel

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 21868/2021 (CNR Number GJAH06-026400-2021) dated October 25, 2021 has been filed Court of Judicial Magistrate First Class, Ahmedabad, by Mr. Amit Rameshchandra Patel owner of Krishna Enterprise against M/s. Cedac Medicorp, Mr. Bhumishth Patel, Ms. Payal Bumishth Patel, Dhayabhai Mafatbhai Patel and Mr. Bhavik Shantilal Patel for dishonored Cheque no 658260 dated April 28,2021 of Canara Bank of Rs. 1,00,000, Cheque no 658261 dated May 08, 2021 of Canara Bank of Rs. 1,00,000 and cheque no 658262 dated May 28, 2021 of Canara Bank of Rs. 1,00,000 making total amount of Rs. 3.00 Lakh issued for payment to be made against the purchase of goods. The warrant for arrest was issued on January 16, 2023 and the next date of hearing has been scheduled on March 07, 2023.

2. Mr. Nikunj Rameshbhai Tilva POA Holder of High Tech Healthcare Laboratory and Research Centre, against M/s. Cedac Medicorp and Mr. Bhumishth Patel

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 9779/2021 (CNR Number GJAH06-011179-2021) dated April 01, 2021 has been filed Court of Judicial Magistrate First Class, Ahmedabad, by Mr. Amit Rameshchandra Patel owner of Krishna Enterprise against M/s. Cedac Medicorp and Mr. Bhumishth Patel for dishonored Cheque no 698261 dated November

25,2020 of Canara Bank of Rs. 1,00,000 issued for payment to be made against the purchase of goods. The next date of hearing has been scheduled on February 24, 2023.

3. Mr. Dinesh Rasiklal Shah – Shri Krishna Enterprises, against M/s. Cedac Medicorp and Mr. Bhumishth Patel

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 47482/2021 (CNR Number: GJAH22-050138-2021) dated April 01, 2021 has been filed in the Metropolin Magistrate Court Ahmedabad, by Mr. Dinesh Rasiklal Shah – Shri Krishna Enterprises, against M/s. Cedec Medicorp and Mr. Bhumishth Patel for dishonored Cheque no 698290 dated January 11, 2021 of Canara Bank of Rs. 50,000 and Cheque no 698291 dated February 11, 2021 of Canara Bank of Rs. 50,000 making total amount of Rs. 1,00,000 issued for payment to be made against the purchase of goods. The last date of hearing in the matter was November 24, 2022 and bailable warrant was issued and the next date of hearing has been scheduled on February 21, 2023.

2. Civil Proceedings
NIL

3. Taxation Matters
NIL

4. Past Penalties imposed on our Directors
NIL

5. Proceedings initiated against our Directors for economic offences/securities laws/ or any other law
NIL

6. Directors on list of wilful defaulters of RBI
NIL

B. LITIGATIONS FILED BY DIRECTOR(S) OF OUR COMPANY

1. Civil Proceedings
   NIL
2. Taxation Matters
   NIL

PART III –LITIGATIONS INVOLVING PROMOTER(S) OF OUR COMPANY

A. LITIGATIONS AGAINST PROMOTER(S) OF OUR COMPANY

1) Criminal Litigations
   NIL
2) Civil Proceedings
   NIL
3) Taxation Matters
   NIL
4) Past Penalties imposed on our Promoters
   NIL
5) Proceedings initiated against our Promoters for economic offences/securities laws/ or any other law
   NIL
6) Penalties in Last Five Years
   NIL
7) Litigation /defaults in respect of the companies/Firms/ventures/ with which our promoter was associated in the past
   NIL
8) Adverse finding against Promoter for violation of Securities laws or any other laws

B. LITIGATIONS FILED BY PROMOTER(S) AND PROMOTER GROUP OF OUR COMPANY

1) Criminal Litigations

Narendra Gangaramdas Patel (HUF) against Jay Pankajbhai Kansara

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15247/2019 (CNR Number GJAH06-021858-2019) dated November 06, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Narendra Gangaramdas Patel (HUF)

through Yash Deeepak Jain, against Jay Pankajbhai Kansarafor an amount of Rs 10.00 Lakh. The next date of hearing has been scheduled on March 02,2023.

Narendra Gangaramdas Patel (HUF) against Nidhish Pankajbhai Kansara

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15500/2019 (CNR Number GJAH06-022296-2019) dated November 11, 2019 has been filed the Court of Judicial Magistrate, First Class, by Narendra Gangaramdas Patel (HUF) through Yash Deeepak Jain, against Nidish Pankajbhai Kansara for an amount of Rs.10.00 Lakh. The next date of hearing has been scheduled on February 15,2023.

Narendra Gangaramdas Patel (HUF) against Vijay Pankajbhai Kansara

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15482/2019 (CNR Number GJAH06-022277-2019) dated November 11, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Narendra Gangaramdas Patel (HUF) through Yash Deepak Jain, against Vijay Pankajbhai Kansara for an amount of Rs. 10.00Lakh. The next date of hearing has been scheduled on February 01,2023

Bhumisth Narendra Patel (HUF) against United Pharma Chem, proprietor firm and Mr. Nidish Pankajbhai Kansara, Proprietor of United Pharma Chem

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15055/2019 (CNR Number GJAH06-021496-2019) dated October 24, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Bhumisth Narendra Patel (HUF) through Yash Deepak Jain, against United Pharma Chemand Mr. Nidish Pankajbhai Kansara**,** Proprietor of United Pharma Chem for an amount of Rs. 64.73Lakh. The next date of hearing has been scheduled on February 03,2023.

Narendra Gangaram Patel proprietor of Devita healthcare against M/s. On Bio Science, proprietor firm and Mr. Jay Pankajbhai Kansara

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 2703/2020 (CNR Number GJAH06-004787-2020) dated March 17,2020 has been filed in the Civil Court, Ahmedabad, by Narendra Gangaram Patel against M/s. On Bio Science and Mr.Jay Pankajbhai Kansarafor an amount of Rs10.00 Lakh. The next date of hearing has been scheduled on March, 10 ,2023.

2) Civil Proceedings
NIL

3) Taxation Matters
NIL

PART IV –LITIGATIONS INVOLVING SUBSIDIARY COMPANY:

As on Date of this Draft Letter of Offer, our Company does not have any Subsidiary Company.

PART V –LITIGATIONS INVOLVING GROUP COMPANY:

1) **Criminal Litigations**
Nil

2) Civil Proceedings
NIL

3) Taxation Matters
Direct and Indirect Taxes

INCOME TAX		
Assessment Year	**Tax Liability (in `Lacs)**	**Date of Demand raised**
Income Tax		
AuxiliaPharmaceuticals Private Limited		
2021-22	**1.72**	**24-08-2022**
2019-20	**15.13**	**08-12-2020**
Bhumistha Patel (H.U.F.)		
2020-21	**0.23**	**02-12-2021**
2019-20	**0.03**	**21-02-2020**
2020-21	**0.29**	**03-11-2021**

Payal Patel		
2020-21	**0.75**	**15-12-2021**
EarumPharmaceuticals Private Limited		
2020-21	**29.93**	**03-06-2022**
Evoq Remedies Limited		
2021-22	**28.27**	**26-03-2022**

4) Proceedings against Our Company for economic offences/securities laws/ or any other law
   NIL
5) Penalties in Last Five Years
   NIL
6) Pending Notices against our Company
   NIL
7) Past Notices to our Company
   NIL
8) Disciplinary Actions taken by SEBI or stock exchanges against Our Company
   NIL
9) Defaults including non-payment or statutory dues to banks or financial institutions
   NIL
10) Details of material frauds against the Company in last five years and action taken by the Companies.
   NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES
1) Litigation involving Criminal Laws

1) Criminal Litigation

1. Auxilia Pharmaceuticals Private Limited (Complainant) v/s. M/s. On Bio Science and Mr. Jay Pankajbhai Kansara (Accused).

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15023/2019 (CNR Number GJAH06-021400-2019) dated October 24, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Auxilia Pharmaceuticals Private Limited through Authorised Person Mr. Yash Deepak Jain, against M/s. On Bio Science and Mr. Jay Pankajbhai Kansara for an amount of Rs. 118.78 Lakh. The next date of hearing has been scheduled on March 17, 2023.

2. Auxilia Pharmaceuticals Private Limited (Complainant) v/s. M/s. Metrix Lifecare and Mr. Vijay Pankajbhai Kansara (Accused).

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15024/2019 (CNR Number GJAH06-021403-2019) dated October 24, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Auxilia Pharmaceuticals Private Limited through Authorised Person Mr. Yash Deepak Jain, against M/s. Metrix Lifecare and Mr. Vijay Pankajbhai Kansara for an amount of Rs. 50.05 Lakh. The next date of hearing has been scheduled on March 17, 2023.

3. Evoq Remedies Limited (Formerly Known as Salus Lifescience and Research Private Limited – Complainant) v/s. M/s. United Pharma Chem and Mr. Nidhish Pankajbhai Kansara (Accused).

A Criminal case under Section 138 of the Negotiable Instrument Act, 1881, numbering 15026/2019 (CNR Number GJAH06-021407-2019) dated October 24, 2019 has been filed in the Court of Judicial Magistrate, First Class, by Evoq Remedies Limited (Formerly known as Salus Lifescience and Research Private Limited) through Authorised Person Mr. Yash Deepak Jain, against M/s. Metrix Lifecare and Mr. Vijay Pankajbhai Kansara for an amount of Rs. 1.54 Lakh. The next date of hearing has been scheduled on March 17, 2023.

2) Civil Proceedings
   NIL
3) Taxation Matters
   Direct and Indirect Taxes
   NIL
4) Proceedings against Our Group Company for economic offences/securities laws/ or any other law

NIL

5) Penalties in Last Five Years
   NIL
6) Pending Notices against our Group Company
   NIL
7) Past Notices to our Group Company
   NIL
8) Disciplinary Actions taken by SEBI or stock exchanges against Our Group Company
   NIL
9) Defaults including non-payment or statutory dues to banks or financial institutions
   NIL

Information provided on the website of our Company is not a part of this Draft Letter of Offer and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website: www.patronexim.com. would be doing so at their own risk.

WILFUL DEFAULTER

Our Promoters and Directors have not been identified as a willful defaulter in terms of the SEBI ICDR Regulations as on the date of this Draft Letter of Offer.

MATERIAL DEVELOPMENTS

There have not arisen, since the date of the last financial statements disclosed in this draft letter of offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months. For further details, please refer to the chapter titled "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 100 and 72 of this letter of offer.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.

In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Letter of Offer.

The object clauses of the Memorandum of Association of Our Company enable us to carry out its activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

I. Approvals for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on January 24, 2023, pursuant to Section 62 and Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors of our Company has, at its meeting held on January 24, 2023, determined the Issue Price as Rs. 2/- per Rights Equity Share and the Rights Entitlement as 4 (Four) Rights Equity Shares for every 1 (One) Equity Share held on the Record Date. The Issue Price is Rs. 2/- per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Our Company has received 'in-principle' approvals from BSE Limited for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide their respective letter dated [●] and [●]. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges- BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" on page no. 124 of this Draft Letter of Offer

II. Incorporation related Approvals

Certificate of Incorporation dated July 26, 2012 issued by Registrar of Companies, Gujarat, Dadra and Nagar Havellibearing Corporate Identity Number (CIN) as U24230GJ2012PTC071299.

Fresh Certificate of Incorporation dated January 23, 2019 issued by the Registrar of Companies, Ahmedabad consequent upon conversion to public limited company bearing Corporate Identity Number (CIN) as U24230GJ2012PLC071299.

III. Approvals obtained in relation to business operations of our Company

Sr.No	Nature of Registration/ License	Registration/License No.	Applicable Laws	Issuing Authority	Date of Issue/ Renewal	Date of Expiry
1.	Permanent Account Number (PAN)	AADCE1163C	Income Tax Act, 1961	Income Tax Department	January 25, 2019 (renewal date)	Valid till Cancelled
2.	Tax Deduction Account Number (TAN)	AHME01371G	Income Tax Act, 1961	Income Tax Department	Sep 4, 2014	Valid till Cancelled
3.	Certificate of Importer - Exporter Code (IEC)	0813001757	The Foreign Trade (Development &Regulation) Act, 1992	Foreign Trade Development Officer	April 18, 2013	Valid till Cancelled
4.	Good and Service Tax	24AADCE1163C	Central Good	Government of	Sep 19, 2017	Valid till

	Registration Certificate	1ZB	and Service Tax Act, 2017	India	(validity date – July 01, 2017)	Cancelled
5.	Professional Tax Registration Certificate	C016771143	The Gujarat State Tax on Professions, Trades, Callings and Employment Act, 1976	Asst. Manager (Prof. Tax) New west Zone	March 2, 2013	Valid till Cancelled
6.	Registration under Employees' State Insurance Corporation (ESI)	37001138180001019	Employees State Insurance Act, 1948	Asst. Dy. Director	April 09, 2019	Valid till Cancelled

IV Intellectual property related approvals

The details of trademarks registered in the name of our Company and valid as on date are:-

S. No.	Trademark	Class	Registration No.	Date of validity
1.	ERO-BDF	5	2903162	February 17, 2025
2.	EROCLAVE	5	2903159	February 17, 2025
3.	ERO – D3	5	2903161	February 17, 2025
4.	ERODOL	5	2903158	February 17, 2025
5.	EROFIXIME	5	2903152	February 17, 2025
6.	EROLEV	5	2903157	February 17, 2025
7.	ERO-OTC	5	2903160	February 17, 2025
8.	EROPANTA	5	2903156	February 17, 2025
9.	ERORABE	5	2903155	February 17, 2025
10.	EROTHRO	5	2903154	February 17, 2025

VIII. Approvals or Licences pending to be applied:

1. Change of name in all the above approvals from "Earum Pharmaceuticals Private Limited" to "Earum Pharmaceuticals Limited" (except for PAN, TAN and GST which we have already received) ;

2. Change of address in all the above approvals from our old Corporate Office/ Registered Office address to new Corporate Office/ Registered Office Address ;

3. Registration under Gujarat Shop & Establishment Act, 1948 for our registered office and corporate office situated at Ahmedabad

4. Addition of Registered Office as additional place of business in GST Certificate

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board of Directors passed at its meeting held on 24th January, 2023, and pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on 24th January, 2023 determined the Issue Price as Rs. 2/- per Rights Equity Share~~,~~ and the Rights Entitlement of upto 4 (Four) Equity Share for every 1 (One) fully paid-up Equity Share(s) to held on the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated [●], respectively. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "Terms of the Issue" beginning on page 124 of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority / court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Our Company / Subsidiary Company / our Promoters / Directors have not been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoters and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE. Our Company is eligible to offer Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

Compliance with Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this draft letter of offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is below Rs. 5000 Lakhs.

Disclaimer from our Company, our Director(s)

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and any one placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the issue will be deemed to have represented to our Company and its officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

Caution

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, sales person or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad, Gujarat, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Listing

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited. The Disclaimer Clause as intimated by BSE Limited to us, post scrutiny of this Draft Letter of Offer is set out below:

"BSE Limited ("the Exchange") has given, vide its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be post marked in the United States or otherwise dispatched from the United States or any other

jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which:

(i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and / or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws ofthe jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPE AN ECONOMIC AREA, GHANA, HONGKONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3(b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the BSE and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the BSE.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders' Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer. Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole / first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photo copy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning at page 124 of this Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary are as follows:

Registrar to the Issue

BIGSHARE SERVICES PRIVATE LIMITED
A-802, Samudra Complex, Near Klassic Gold Hotel,
Off C.G Road, Navrangpura,
Ahmedabad – 380 009
Tel: +022-6263820044
Email: bssahd@bigshareonline.com
Website: www.bigshareonline.com
Contact Person: Mr. Ramesh Nair
SEBI Registration No: INR000001385

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-issue / post-issue related matters such as non-receipt of Letters of Allotment / share certificates / demat credit / Refund Orders etc.

Mrs. Madhuri Mistry is our Company Secretary & Compliance Officer.

Her contact details are set forth here under:

Contact No.: 079-48402525,
Email id: cs@earumpharma.com

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA facility.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA alongwith rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this draft Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access this draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) Our Company at www.earumpharma.com ;
(ii) The Registrar at www.bigshareonline.com ;
(iii) The Stock Exchanges at www.bseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.earumpharma.com).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non - availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights

Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re- distributed.

Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein:

i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online / electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "- Grounds for Technical Rejection" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" below.

Options available to the Eligible Equity Shareholders:

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

a) apply for its Equity Shares to the full extent of its Rights Entitlements; or
b) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
c) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
d) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
e) renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

A shareholder, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online / electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Do's for Shareholders applying through ASBA:

a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through ASBA:

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
d) Do not submit Application Form using third party ASBA account.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not been titled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his / her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

a) Name of our Company, being Earum Pharmaceuticals Limited;
b) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
c) Folio Number (in case of Eligible Equity Share holders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
d) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
e) Number of Equity Shares held as on Record Date;
f) Allotment option – only dematerialized form;
g) Number of Equity Shares entitled to;
h) Number of Equity Shares applied for within the Rights Entitlements;
i) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
j) Total number of Equity Shares applied for;
k) Total amount paid at the rate of Rs. 2/- per Equity Share;
l) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
m) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
n) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
o) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
p) All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulations"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.

I/ We acknowledge that the Company, our affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements. "

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Shareholders. The plain paper Application form at will be available on the website of the Registrar at bssahd@bigshareonline.com
Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders'ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two working days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.
Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account alongwith copy of self- attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two working days prior to the Issue Closing Date;
b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts atleast one day before the Issue Closing Date;
c) The remaining procedure for Application shall be same as set out in "Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in"-Basis of Allotment" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

i) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
ii) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and / or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in

English.

iii) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

iv) Applications should be (i) submitted to the Designated Branch of the SCSB or made online / electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

v) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

vi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

vii) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and / or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

viii) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

ix) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his / her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

x) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID / Folio number should match the demat account details in the records available with Company and / or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or in accurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

xi) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

xii) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first / sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of

Eligible Equity Shareholders holding Equity Shares in physical form.

xiii) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

xiv) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

xv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

xvi) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.

xvii) Do not pay the Application Money in cash, by money order, pay order or postal order.

xviii) Do not submit multiple Applications.

xix) No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

xx) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

ii) A detail of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

iii) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

vi) Account holder not signing the Application or declaration mentioned therein.

vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

viii) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.

ix) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

x) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

xii) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this Letter of Offer.

xiii) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.

xiv) Application Forms accompanied by stock invest, out station cheques, post-dated cheques, money order, postal order or outstation demands.

xv) If an Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.

xvi) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and / or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S.Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.

xviii) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

a. Payment from third party bank accounts.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with / without using additional Rights Entitlement will not be treated as multiple applications. A separate application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) a Shareholder submits Application Form along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event(i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. Such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre–approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among otherthings, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are in eligible to participate in this Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) Networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2023, i.e., Issue Closing Date. Our Board or any committee there of may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as maybe extended by our Board or any committee thereof, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "Basis of Allotment" mentioned below.

Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges, and (ii) the R- WAP facility will be available until 5:00 P.M. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

A Shareholder who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Shareholders in the same bank account through which Application Money was received, in case of an application using the R- WAPfacility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as setout in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.earumpharma.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in the irrespective details along with other security control measures implemented there at.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements the will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat

accounts on the website of the Registrar (*i.e* www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, **[●]**") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned / reversed / failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client mastersheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., by[●], 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges **(the "On Market Renunciation");** or (b) through an off-market transfer **(the" Off Market Renunciation")**, during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited / lying in his / her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including

brokerage), and such costs will be incurred solely by the Shareholders.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading / selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN[•] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●], 2023 (both days inclusive).

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN[•] and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock- broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN[•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through (i) ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the

acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds asset for thin this Letter of Offer.After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSCBC42/24.47.00/2003-04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents / NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR / NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialized form and on the register of members of our Company in respect of our Equity Shares held in physical format the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "The Issue" beginning on mentioned above.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 4 (Four) Equity Shares for every 1 (One) Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. In terms of present ratio, there will no fractional shares.

Ranking

The Equity Shares to be issued and allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 542724) under the ISIN: INE060601023. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing / trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means / unblock the respective ASBA Accounts, the entire monies received / blocked within four days of receipt to intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded / unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "Capital Structure – Intention and extent of participation by our Promoter" mentioned above.

Rights of the Rights Equity Shareholders

Subject to applicable laws, the Rights Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and Memorandum of Association and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the jointholders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the jointholders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholder holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Letter of Offer will be sent / dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Guajarati language national daily newspaper with wide circulation being the regional language of Ahmedabad, where our Registered Office is situated.

This draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders / Shareholders

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters / letters of Allotment / Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at bssahd@bigshareonline.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and Our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been de recognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholder being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting the irrespective copies of self-attested proof of address, passport, etc. at bssahd@bigshareonline.com

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE

Issue Schedule

Last date for credit of Rights entitlements	**[•]**
Issue opening date	**[•]**
Last Date on Market Renunciation of Rights Entitlements #	**[•]**
Issue Closing Date*	**[•]**
Finalisation of Basis of Allotment (on or about)	**[•]**
Date of Allotment (on or about)	**[•]**
Date of Credit (on or about)	**[•]**
Date of Listing (on or about)	**[•]**

 # Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two working days prior to the Issue Closing Date, i.e., [•], 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, atleast one day before the Issue Closing Date, i.e., [•], 2023.

Basis of Allotment

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

i) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
ii) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
iii) The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND / UNBLOCKING OF ASBA ACCOUNTS

Our Company will send / dispatch Allotment advice, refund intimations or demat credit of securities and / or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and / or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and / or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and / or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid / blocked shall be refunded / unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of over subscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

NACH–National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is other wise disclosed as eligible to get refunds through NEFT or Direct Creditor RTGS.

National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Shareholders' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Shareholders have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Shareholders through this method.

Direct Credit – Shareholders having bank accounts with the Banker(s) to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

RTGS– If there fund amount exceeds Rs. 2,00,000/- the Shareholders have the option to receive refund through RTGS. Such eligible Shareholders who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Shareholders's bank receiving the credit would be borne by the Shareholders.

For all other Shareholders, the refund orders will be dispatched through speed post or registered post subject to applicable laws.

Such refunds will be made by cheques, pay orders or demands drawn in favour of the sole / first Shareholders and payable at par.

Credit of refunds to Shareholders in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORDDATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement with NSDL and with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

i) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.

ii) It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.

iii) The responsibility for correctness of information filled in the Application Form *vis-à-vis* such information with the Shareholder's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholder's depository participant.

iv) If in complete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.

v) The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form / with IEPF authority / in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

   Non-transferable Allotment advice / refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

vi) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.*"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending upto 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 0.1 crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending upto five years or a fine of an amount extending upto Rs. 0.5 crore or with both.

UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;
B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balancesheet of our Company indicating the purpose for which such monies have been utilised; and
C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balancesheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

i) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven working days off inalization of Basis of Allotment.

iii) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

v) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

vi) Adequate arrangements shall be made to collect all ASBA Applications.

vii) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**[•]**" on the envelope and post marked in India or in the e-mail) to the Registrar at the following address:

   BIGSHARE SERVICES PRIVATE LIMITED
   A-802, Samudra Complex, Near Klassic Gold Hotel,
   Off C.G Road, Navrangpura,
   Ahmedabad – 380 009
   Tel: +022-6263 8200
   Email: bssahd@bigshareonline.com
   Website: www.bigshareonline.com
   Contact Person: Mr. Ramesh Nair
   SEBI Registration No: INR000001385

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.bigshareonline.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is "[•]".

4. The Shareholders can visit following links for the below-mentioned purposes:

5. Frequently asked questions and online / electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: v www.bigshareonline.com

6. Updation of Indian address / e-mail address / phone or mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com

7. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.bigshareonline.com

8. Submission of self-attested PAN, client mastersheet and demat account details by non-resident Eligible Equity Shareholders: www.bigshareonline.com

   a) This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy upto any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion)("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated

and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to in para (A) below (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered into by our Company.

The contracts together with the documents referred to in para (B) below may be inspected at the Registered Office of our Company between 11:00 A.M. to 2:00 P.M. on any working day from the date of the Draft Letter of Offer until the closure of the subscription list.

A. MATERIAL CONTRACTS

(i) Registrar Agreement dated "**[•]**" entered into between our Company and the Registrar to the Issue.

(ii) Escrow Agreement dated "**[•]**" amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

(iii) Tripartite Agreement dated March 05, 2019 between our Company, NSDL and the Registrar to the Issue.

(iv) Tripartite Agreement dated February 27, 2019 between our Company, CSDL and the Registrar to the Issue.

B. DOCUMENTS FOR INSPECTION

(i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.

(ii) Certificate of incorporation dated July, 26, 2012 in the name of 'Earum Pharmaceuticals Private Limited'.

(iii) Fresh certificate of incorporation dated January 23, 2019 pursuant to change of name of our Company to 'Earum Pharmaceuticals Limited'.

(iv) Resolution of the Board of Directors dated January 24, 2023 in relation to the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

(v) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Bankers to the Issue, Legal Advisor to the Issue, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.

(vi) Annual Reports of the Company for the past two years i.e., 2022 and 2021.

(vii) Limited Review Financial for period ended 30th September, 2022

(viii) Statement of Tax Benefits dated 24th January, 2023 from the Statutory Auditor included in this draft Letter of Offer.

(ix) In Principle approval dated "**[•]**" issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

SECTION XI - DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and anyother competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-
Payal Bhumishth Patel
(Whole-Time Director)
DIN: **05300011**

Sd/-
Bhumishth Narendrabhai Patel
(Executive Director)
DIN: **02516641**

Sd/-
Sumitkumar Jayantibhai Patel
(Independent Director)
DIN: **08206567**

Sd/-
Dahyabhai Mafatlal Patel
(Non-Executive Director)
DIN: **07061899**

Sd/-
Parimal Suryakant Patwa
(Independent Director)
DIN**: 00093852**

Sd/-
Harsh Mahendrakumar Kothari
(Independent Director)
DIN: **09310696**

Signed by

Sd/-
Madhuri Niconkumar Mistry (Company Secretary and Compliance Officer)

Sd/-
Payal Bhumishth Patel
(Chief Financial Officer)

Date: 24th January, 2023
Place: Ahmedabad