Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad - 500034.
Telangana, INDIA. Tel : +91 40 23547532, Fax : +91 40 23548243
CIN : L24230TG1981PLC003201, www.natcopharma.co.in

September 9, 2026

To
Corporate Relationship Department
BSE Ltd
Mumbai – 400 001

Scrip Code: **524816**

To
The Manager – Listing
National Stock Exchange of India Ltd
Mumbai – 400 051

Scrip Code: **NATCOPHARM**

Dear Sirs/Madam(s),

Sub: Draft letter of Offer in relation to the proposed Rights Issue of Equity Shares

We wish to inform you that the Company proposes to undertake Rights Issue of its Equity Shares subject to the applicable laws, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and other regulatory and statutory approvals, as may be required under the applicable laws.

In this regard, please find enclosed herewith the Draft letter of Offer in connection with the proposed Rights Issue.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For Natco Pharma Limited

VENKAT RAMESH CHEKURI

Digitally signed by VENKAT RAMESH CHEKURI
Date: 2026.09.09 17:42:23 +05'30'

Ch. Venkat Ramesh
Company Secretary &
Compliance Officer

Encl.: as above

Draft Letter of Offer
Dated September 9, 2026
For Eligible Equity Shareholders only

NATCO PHARMA LIMITED

Our Company was incorporated as a private limited company under the name "Natco Fine Pharmaceuticals Private Limited" under the Companies Act, 1956 and was granted a certificate of incorporation dated September 19, 1981 by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company became a deemed public company with effect from July 1, 1992, pursuant to our intimation to the Registrar of Companies, Andhra Pradesh at Hyderabad by letter dated May 29, 1992, and the word "Private" was deleted from the name of our Company. Subsequently, the name of our Company was changed to "NATCO Pharma Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on February 18, 1993. Subsequently, our Company was converted into a public limited company and a fresh certificate of incorporation consequent upon conversion dated December 30, 1994, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. For further details, see "*General Information*" on page 47.

Registered and Corporate Office: 'NATCO House', Road No. 2, Banjara Hills, Hyderabad - 500034, Telangana, India
Tel: +91 40 2354 7532; **Contact Person**: Chekuri Venkat Ramesh, Company Secretary and Compliance Officer
E-mail: investors@natcopharma.co.in; **Website**: www.natcopharma.co.in
Corporate Identity Number: L24230TG1981PLC003201

PROMOTERS OF OUR COMPANY: VENKAIAH CHOWDARY NANNAPANENI, DURGA DEVI NANNAPANENI, RAJEEV NANNAPANENI, NEELIMA SITA NANNAPANENI, VENKAIAH CHOWDARY NANNAPANENI HUF, VISTRA ITCL INDIA LIMITED A/C NEELIMA NANNAPANENI TRUST, VISTRA ITCL INDIA LIMITED A/C DURGADEVI FAMILY TRUST, VISTRA ITCL INDIA LIMITED A/C VCN FAMILY TRUST AND SAU FAMILY TRUST

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF NATCO PHARMA LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF UP TO [●]* FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹2 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) ("ISSUE PRICE") AGGREGATING UP TO ₹13,000 MILLION* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] ("RECORD DATE") (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 83.

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors shall rely on their own examination of the issuer and the offer, including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of investors is invited to the section "*Risk Factors*" beginning on page 14.

CONFIRMATION

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

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, and 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 such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from NSE and BSE for listing the Rights Equity Shares through their letters each dated [●]. Our Company will also make applications to NSE and BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular. For the purposes of the Issue, the Designated Stock Exchange is NSE.

REGISTRAR TO THE ISSUE

KFINTECH
EXPERIENCE TRANSFORMATION

KFin Technologies Limited
Address: 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road
Nav Pada, Kurla (West), Kurla, Mumbai – 400 070, Maharashtra, India
Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: natcopharma.rights@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna / Williams R
Website: www.kfintech.com
SEBI Registration No.: INR000000221

ISSUE PROGRAMME

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR 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 OF RIGHTS EQUITY SHARES (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 accounts of the Renouncees on or prior to the Issue Closing Date.

**Our Board or the Fund Raising Committee 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.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy 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 the meaning ascribed to such terms under the SEBI ICDR Regulations, the SEBI LODR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled "Risk Factors", "Summary of Draft Letter of Offer", "Statement of Special Tax Benefits", "Financial Statements" and "Terms of the Issue" on pages 14, 42, 64, 74 and 83, respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
"Company" or "Issuer"	NATCO Pharma Limited, a public limited company incorporated under the Companies Act, 1956 and validly existing under the Companies Act, 2013, having its registered office at NATCO House, Road No. 2, Banjara Hills, Hyderabad 500 034, Telangana, India
"We", "Our", "Us" or "our Group"	Unless the context otherwise indicates or implies or unless otherwise specified, refers to our Company along with our Subsidiaries, as applicable, on a consolidated basis

Company Related Terms

Term	Description
"Articles of Association" or "Articles"	Articles of association of our Company, as amended from time to time
Associate	Associate of our Company, namely, Adcock Ingram Holdings Proprietary Limited
Audited Consolidated Financial Statements	Collectively, the audited consolidated financial statements of the Company, its Subsidiaries and its Associate, which comprises the consolidated balance sheet as at March 31, 2026 and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information, including comparative audited consolidated financial statements of the Company and its Subsidiaries as at and for the financial year ended March 31, 2025, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
"Auditors" or "Statutory Auditors"	The statutory auditors of our Company, being B S R and Co, Chartered Accountants
"Board of Directors" or "Board" or "our Board"	The board of directors of our Company. For details, see "*Our Management – Board of Directors*" on page 70
Chairman and Managing Director	The chairman and managing director of our Company, V.C. Nannapaneni. For details, see "*Our Management - Board of Directors*" on page 70
"Chief Financial Officer" or "CFO"	The Chief Financial Officer of our Company, Amit Parekh
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, Chekuri Venkat Ramesh
Directors	The directors on our Board, as may be appointed from time to time. For details, see "*Our Management – Board of Directors*" on page 70
Equity Shares	Equity shares of face value of ₹2 each of our Company
Executive Director(s)	The executive Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Executive Directors, see "*Our Management – Board of Directors*" on page 70

Term	Description
Financial Statements	Collectively, the Audited Consolidated Financial Statements and Limited Review Financial Results
Fund Raising Committee	The fund raising committee constituted by our Board of Directors for the purposes of the Issue, comprising Venkaiah Chowdary Nannapaneni (*Chairman*), Rajeev Nannapaneni (*Member*) and Potluri Sivaramakrishna Prasad (*Member*)
Group Companies	Group companies of our Company as determined in terms of Regulation 2(1)(t) of SEBI ICDR Regulations
Independent Director(s)	The non-executive, independent Directors of our Company, appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of our Independent Directors, see "*Our Management – Board of Directors*" on page 70
Limited Review Financial Results	The unaudited consolidated financial results of the Company and its Subsidiaries and the share of net profit after tax and total comprehensive income of its Associate for the quarter ended June 30, 2026, including the comparative unaudited consolidated financial results of the Company and its Subsidiaries for the quarter ended June 30, 2025, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended
Materiality Threshold	The materiality threshold determined by our Board pursuant to the resolution dated September 9, 2026 for the disclosure of outstanding material legal proceedings involving our Company and its Subsidiaries, i.e. ₹781.70 million
"Memorandum of Association" or "Memorandum"	Memorandum of association of our Company, as amended from time to time
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board of Directors
Promoter(s)	The promoters of our Company being, Venkaiah Chowdary Nannapaneni, Durga Devi Nannapaneni, Rajeev Nannapaneni, Neelima Sita Nannapaneni, Venkaiah Chowdary Nannapaneni HUF, Vistra ITCL India Limited A/c Neelima Nannapaneni Trust, Vistra ITCL India Limited A/c Durgadevi Family Trust, Vistra ITCL India Limited A/c VCN Family Trust and SAU Family Trust
Promoter Group	Unless the context requires otherwise, the promoter group of our Company as determined in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered Office and Corporate Office	The registered office of our Company located at 'NATCO House', Road No. 2, Banjara Hills, Hyderabad - 500034, Telangana, India
Senior Management	Senior management personnel of our Company determined in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board of Directors
Subsidiaries	The subsidiaries of our Company, being: (i) NATCO Pharma Inc.; (ii) Time Cap Overseas Limited; (iii) NATCO Pharma (Canada) Inc.; (iv) NATCO Pharma Asia Pte Ltd.; (v) NATCO Pharma Australia Pty Ltd; (vi) NATCO Lifesciences Philippines Inc.; (vii) NATCO Pharma UK Limited; (viii) PT. NATCO Lotus Farma; (ix) NATCO Pharma Colombia S.A.S.; (x) NATCO Crop Health Sciences Limited and (xi) NATCO Pharma South Africa Proprietary Limited; and the step-down subsidiaries of our Company, being (xii) NATCO Pharma USA LLC; and (xiii) NatcoFarma do Brasil Ltda.
Vice Chairman and Chief Executive Officer	The Vice Chairman and Chief Executive Officer of our Company, being Rajeev Nannapaneni. For details, please see the section titled " *Our Management – Board of Directors"* beginning on page 70

Issue Related Terms

Term	Description
Additional Rights Equity Shares	The Rights Equity Shares applied for or allotted under this Issue in addition to the Rights Entitlement
"Allotment" or "Allot" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to the Issue, into which the Application Money, with respect to successful Applicants, will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Kotak Mahindra Bank Limited
Allotment Advice	The note or advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date	Date on which the Allotment is made pursuant to the Issue

Term	Description
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
Application	Application made through submission of the Application Form or plain paper application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares 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 Applicant to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as 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 Circulars	Collectively, SEBI circular pertaining to Applications Supported by Blocked Amount (ASBA) facility for right issues, as subsumed under the SEBI ICDR Master Circular (to the extent it pertains to the rights issue process), and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker to the Issue	Kotak Mahindra Bank Limited
Banker to the Issue Agreement	Agreement dated September 9, 2026, entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for among other things, collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account, refund of the whole or part of the application amounts, shall on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in this Issue, as described in "*Terms of the Issue*" beginning on page 83
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI's website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	The designated stock exchange for the Issue, being National Stock Exchange of India Limited
Eligible Equity Shareholder(s)	Equity Shareholders as on the Record Date. Please note that only those Equity Shareholders who have provided an Indian address to our Company are eligible to participate in the Issue. For further details, see "*Notice to Investors*" and "*Restrictions on Purchases and Resales*" beginning on pages 8 and 115, respectively
"Equity Shareholder(s)" or "Shareholders"	Holder(s) of the Equity Shares of our Company
Fraudulent Borrower	Fraudulent Borrower(s) as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations
Gross Proceeds	The gross proceeds raised through the Issue
Issue	This issue of up to [●]* Rights Equity Shares for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹13,000* million on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders on the Record Date. **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
Issue Closing Date	[●]

Term	Description
Issue Materials	Collectively, this Draft Letter of Offer, the Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹[●] per Rights Equity Share
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹13,000* million **Assuming full subscription in the Issue. Subject to finalization of the Basis of Allotment.*
"Draft Letter of Offer" or "DLOF"	This draft letter of offer dated September 9, 2026, filed with the Stock Exchanges
"Letter of Offer" or "LOF"	The letter of offer dated [●], filed with the Stock Exchanges
Listing Agreements	The uniform listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI LODR Regulations
Monitoring Agency	Crisil Ratings Limited
Monitoring Agency Agreement	Agreement dated September 9, 2026, between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder/Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications
Net Proceeds	Issue Proceeds less the estimated Issue related expenses. For further details, see "*Objects of the Issue*" beginning on page 53
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring its Rights Entitlements through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular, circulars issued by the Depositories from time to time and other applicable laws. 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
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading its Rights Entitlements over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI ICDR Master Circular, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●]
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders who would be eligible to apply for the Rights Equity Shares in the Issue subject to terms and conditions set out in the Issue Materials, to be decided prior to the filing of the Letter of Offer, being [●]
Registrar Agreement	Agreement dated September 9, 2026, between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
"Registrar to the Issue" or "Registrar" or "Share Transfer Agent"	KFin Technologies Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation in accordance with the SEBI ICDR Master Circular
Renunciation Period	The period during which the Eligible Equity Shareholders 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
Rights Entitlement(s)	Number of Rights 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 [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder on the Record Date
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The details of Rights Entitlements are also accessible on the website of our Company

Term	Description
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on a fully paid-up basis on Allotment
Rights Equity Shareholders	Holder of the Rights Equity Shares pursuant to this Issue
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or such other website as updated from time to time
Specific Investor(s)	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by our Company in terms of Regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by our Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed *i.e.* BSE and NSE
Transfer Date	The date on which 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
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Days	All days on which commercial banks in Mumbai are open for business. Further, in respect of the Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, in respect of 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 SEBI

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupee
Aadhaar	Aadhaar card
AGM	Annual general meeting of the Shareholders of our Company.
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
ANDA	Abbreviated new drug application
API(s)	Active pharmaceutical ingredient(s)
BSE	BSE Limited
Calendar Year	Calendar year ending December 31
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
CBDT	Central Board of Direct Taxes, Government of India
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Central Government	Central Government of India
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act	Companies Act, 1956 and the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013 along with the relevant rules made thereunder
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
DIN	Director identification number
"DP" or "Depository Participant"	Depository participant as defined under the Depositories Act
DP ID	Depository participant's identification number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion)
EGM	Extraordinary general meeting
Erstwhile IT Act	The Income Tax Act, 1961
FDF	Finished dosage form
FDI	Foreign direct investment

Term/Abbreviation	Description/ Full Form
FEMA	Foreign Exchange Management Act, 1999
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal Year" or "Fiscal" or "FY"	Period of 12 months ending March 31 of that particular year
FDI Policy	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020, issued by DPIIT, effective from October 15, 2020
FPI	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAP	Generally Accepted Accounting Principles in India
GOI	Government of India
Government	Central Government and/ or the State Government, as applicable
GST	Goods and services tax
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
India	Republic of India
Income Tax Act	The Income Tax Act, 2025
ISIN	International securities identification number
IST	Indian standard time
MCA	Ministry of Corporate Affairs, Government of India
MSME	Micro, Small and Medium Enterprise
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National electronic fund transfer
Non-GAAP Financial Measure	A financial measure not presented in accordance with generally accepted accounting principles
NR	Non-resident or person(s) resident outside India, as defined under the FEMA
NRE	Non-resident external
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-resident ordinary
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCBs" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
OCI	Overseas citizen of India
PAN	Permanent account number
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, Telangana at Hyderabad
RoW	Rest of the world
RTGS	Real time gross settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000

Term/Abbreviation	Description/ Full Form
SEBI ICDR Master Circular	SEBI master circular no. HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 9, 2026
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations / Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
STT	Securities transaction tax
State Government	Government of a state of India
UPI	Unified Payment Interface
USD	United States Dollar
"U.S." or "USA" or "United States"	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
US GAAP	Generally accepted accounting principles in the U.S.
U.S. Securities Act	U.S. Securities Act of 1933, as amended.
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, Application Form and Rights Entitlement Letter and any other offering material (collectively, the "**Issue Materials**") and issue of Rights Entitlement as well as 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 Letter of Offer, the Rights Entitlement Letter or Application Form may come or who receive Rights Entitlement and propose to renounce or apply for Rights Equity Shares in the Issue are required to inform themselves about and observe such restrictions. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 115.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company, RTA and Depository Participants and only such Eligible Equity Shareholders are permitted to participate in the Issue. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their valid e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any of the Issue Materials.

The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Materials shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Materials. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Materials are received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 115.

Investors can also access this Draft Letter of Offer, the Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Stock Exchanges and SEBI.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders available with the Registrar in their records.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights 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). In addition, each purchaser or seller of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Restrictions on Purchases and Resales*" beginning on page 115.

Our Company, in consultation with the Registrar, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights 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 the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Draft Letter of Offer nor any sale of Rights Equity Shares 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 Draft Letter of Offer or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, 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 the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

In making an investment decision, investors must rely on their own examination of our Company and the terms of the Issue, including the merits and risks involved.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in IST. Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a Calendar Year. 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. In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, where applicable.

Financial Data

Unless stated otherwise, or unless the context requires otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements and Limited Review Financial Results ("**Financial Statements**"). The Audited Consolidated Financial Statements were audited by, and a limited review of the Limited Review Financial Results was carried out by the Statutory Auditors.

Our Company's Financial Year commences on April 1 of each Calendar Year and ends on March 31 of the following Calendar Year. Unless otherwise stated, references in this Draft Letter of Offer to a particular 'Financial Year' or 'Fiscal Year' or 'Fiscal' are to the financial year ended March 31 of that year. For further details, see "*Financial Statements*" beginning on page 74.

Our Company prepares its financial statements in accordance with Ind AS, Companies Act and other applicable statutory and/or regulatory requirements. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

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. All figures in decimals have been rounded off to the whole number and all the percentage figures have been rounded off up to two decimal places. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees, in million.

Non-GAAP Measures

We have included certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance (collectively "**Non-GAAP Financial Measures**", and each, a "**Non-GAAP Financial Measure**") in this Draft Letter of Offer, which are return on net worth and net asset value per equity share. These Non-GAAP Financial Measures are not required by or presented in accordance with Ind AS. We compute and disclose such Non-GAAP Financial Measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of other companies in our industry. Further, these Non-GAAP Financial Measures are not a measurement of our financial performance or liquidity under Ind AS, GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, GAAP, IFRS or US GAAP. Other companies may calculate these Non-GAAP Financial Measures differently from us, limiting its usefulness as a comparative measure. However, these Non-GAAP Financial Measures may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. Accordingly, such Non-GAAP Financial Measures have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under GAAP.

Currency of Presentation

All references to:

- "Rupees" or "₹" or "Rs." or "INR" are to the Indian Rupees, the official currency of the Republic of India; and
- "US$", "U.S. Dollar", "USD", "$" or "U.S. Dollars" are to the United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. Except otherwise stated, all figures have been expressed in millions. One million represents '0.1 crore','10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party sources are expressed in denominations other than millions, such figures appear in this Draft Letter of Offer expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Letter of Offer may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Letter of Offer into Indian Rupees for the periods indicated are provided below:

Currency#	As on March 31, 2026(₹)	As on March 31, 2025 (₹)	As on March 31, 2024 (₹)
1 USD	94.65	85.58	83.37

#Source: www.fbil.org.in

Note: The exchange rates are rounded off to two decimal places and in event of a public holiday on the respective day, the previous Working Day not being a public holiday has been considered

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', 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. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

1. If we are unable to successfully develop or commercialize new products in a timely manner, or if the products that we commercialise do not perform as expected, our business prospects, results of operations and financial conditions may be adversely affected;

2. Any manufacturing or quality control problems may damage our reputation, subject us to regulatory action, and expose us to litigation or other liabilities, which could adversely affect our results of operations and financial condition;

3. Our business strategy includes developing and commercialising products that may be subject to third-party intellectual property rights and patent litigation. Any adverse outcome in such proceedings, or our inability to successfully challenge or navigate third-party intellectual property rights, could delay or prevent the commercialisation of our products and adversely affect our business prospects, results of operations and financial condition;

4. We have limited control over the operations and businesses of local third-party entities appointed to import, register and distribute our products in the foreign markets;

5. Our business is subject to extensive regulation. Any failure to comply with regulations prescribed by governments and regulatory authorities could adversely affect our business prospects, results of operations and financial condition;

6. We depend to a large extent on third-party suppliers and distributors for the raw materials and certain APIs to manufacture our products. A prolonged interruption in the supply of such products may have a material adverse effect on our business and financial condition;

7. In the United States and many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. If we fail to obtain such approvals in a timely and cost-efficient manner, or at all, our business, prospects, results of operations and financial condition could be adversely affected;

8. Our business is dependent on our manufacturing facilities, and any delay in production at, or the loss or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business, financial condition and results of operations;

9. Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products; and

10. If we fail to obtain exclusive marketing rights under Paragraph IV ANDA filings for our generic products or fail to introduce these generic products on a timely basis, it may adversely affect our business, prospects and financial condition.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the section entitled "*Risk Factors*" beginning on page 14.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI ICDR Regulations and other applicable laws, our Company will ensure that the Eligible Equity Shareholders are informed of material developments from the date of filing of this Draft Letter of Offer until date of the grant of listing and trading approvals for the Rights Equity Shares by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including the uncertainties described below, before making an investment in the Equity Shares. You should read this section together with "Summary of Draft Letter of Offer", "Financial Statements", and "Summary of Financials" on pages 42, 74 and 75 of this Draft Letter of Offer.

The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Draft Letter of Offer. However, they may not be exhaustive or are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also materially affect our business, results of operations and financial condition. If any or some combination of the following risks, or other risks that we do not currently know about or don't believe to be material, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in our Equity Shares could decline, and you may lose all or part of your investment. In making an investment decision, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved.

This Draft Letter of Offer contains certain 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. For further information, see "Forward Looking Statements" on page 12. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Financial Statements, included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 74. Our financial year ends on March 31 of each year, and references to a 'Financial Year' are to the twelve months ended March 31 of that year.

Internal Risk Factors

1. ***If we are unable to successfully develop or commercialize new products in a timely manner, or if the products that we commercialise do not perform as expected, our business prospects, results of operations and financial conditions may be adversely affected.***

   Our success depends significantly on our ability to develop and commercialize new niche and complex products in a timely manner. Developing and commercializing a new product is time consuming, costly and involves a high degree of business risk. During these periods, our competitors may be developing similar products of which we are unaware of that could compete directly or indirectly with our products under development. Due to the prolonged period of time for developing a new product and delays associated with the regulatory approval process, we may invest resources in developing products that will face unforeseen or unanticipated competition of which we are currently unaware. Such unforeseen or unanticipated competition may hinder our ability to effectively capture market share and plan the timing of our product development, which may have an adverse impact on our results of operations and financial condition.

   Commercialisation requires us to successfully develop, test, manufacture and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards in each jurisdiction we operate. In order to develop a commercially viable product, we must demonstrate, through extensive trials that the products are safe and effective for use in humans. Further, developing and commercializing a new product is time consuming, costly and subject to numerous factors, including: the ability to develop new products in a timely manner in compliance with regulatory requirements, the ability to correctly anticipate customer needs, delays or unanticipated costs, ability to scale up manufacturing methods to successfully manufacture commercial quantities of products in compliance with regulatory requirements.

   Our products currently under development, if and when fully developed and tested, may not perform as we expect, or necessary regulatory approvals may not be obtained in a timely manner, or at all, and we may not be able to successfully and profitably produce and market such products. Moreover, it may take an extended period of time for our new products to gain market acceptance, if at all. To develop our product pipeline, we commit substantial time, efforts, funds and other resources for research and development. Our investments in new product launches and research and development for future products may result in higher costs without a proportionate increase in revenues, which may have an adverse effect on our business prospects, results of operations and financial condition.

2. ***Any manufacturing or quality control problems may damage our reputation, subject us to regulatory action, and expose us to litigation or other liabilities, which could adversely affect our results of operations and financial condition.***

We are required to meet stringent quality standards and specifications for manufacturing and storage of our products, stipulated by regulators in India and other jurisdictions, including the Ministry of Science and Technology of India, the Ministry of Environment of India, the Department of Pharmaceuticals of the Ministry of Chemical and Fertilizer of India, the U.S. Food and Drug Administration ("**USFDA**"), the United Kingdom's Medicines and Healthcare Products Regulatory Agency ("**U.K. MHRA**"), the Health Product Compliance Directorate of Canada ("**Health Canada**"), the Brazilian Health Regulatory Agency ("**ANVISA Brazil**") and the European Directorate for the Quality of Medicines & HealthCare ("**EDQM**"), amongst others. We are liable for the quality of our products for the entire duration of the shelf life of the product and are exposed to claims resulting from quality control issues including manufacturing defects or negligence in storage or handling, which may lead to the deterioration of our products.

Our manufacturing facilities and products are subject to periodic inspection or audit by regulatory agencies and if we are not in compliance with any of their requirements, our facilities and products may be the subject of a warning letter or sanctions, which could result in the withholding of product approval and the shut-down of our facilities. As part of its auditing process, a USFDA field investigator may issue a Form 483 letter (Notice of Inspectional Observations) after an on-site inspection. If we receive a Form 483 letter, we must respond in a prompt manner to avoid receiving a subsequent USFDA warning letter. While we have successfully responded to such letters in the past, and there are no outstanding adverse remarks or critical observations arising from such inspections, there is a risk that we may receive critical observations or warning letters at any of our facilities in the future. Further, we are also required to meet quality standards and other specifications set out in our license agreements and other contractual arrangements.

In certain foreign jurisdictions, the quantum of damages, especially punitive, awarded in cases of product liability may be extremely high. After our products reach the market, certain developments may adversely affect demand for our products, including the regulatory review of products that are already marketed, new scientific information, greater scrutiny in advertising and promotion, the discovery of previously unknown side effects or the recall or loss of approval of products that we manufacture, market or sell. While we have not faced any instances of our products being recalled in the past three Financial Years, there is a risk that there may be recalls of any of our products or investigations of our manufacturing facilities or our processes in the future.

The existence, or even threat, of a major product liability claim could damage the brand image of our products, our reputation and affect consumers' views of our other products. Any loss of our reputation or brand image may adversely affect our ability to enter into additional business contracts in the future.

3. ***Our business strategy includes developing and commercialising products that may be subject to third-party intellectual property rights and patent litigation. Any adverse outcome in such proceedings, or our inability to successfully challenge or navigate third-party intellectual property rights, could delay or prevent the commercialisation of our products and adversely affect our business prospects, results of operations and financial condition.***

As a part of our business strategy, we primarily deal in generic drugs. In the US market, we seek to launch generic pharmaceutical products either where patent protection or other regulatory exclusivity of equivalent branded products have expired, where patents have been declared invalid or where products do not infringe on the patents of others. However, at times, we may seek approval to market generic products before the expiration of patents relating to the branded versions of those products, based upon our belief that such patents are invalid or otherwise unenforceable, or would not be infringed by our products. Our research and development strategy places emphasis on first-to-market and fast-to-market opportunities and the development of complex pharmaceutical products. Accordingly, the commercial returns from certain products may depend significantly upon the timing of their launch and the competitive landscape at the time of launch. An adverse patent determination or delay resulting from intellectual property litigation may therefore result in us losing a significant part or all of the commercial opportunity associated with a product.

We are currently involved in certain outstanding litigations primarily with respect to infringement of intellectual property rights. For further details, see "*Summary of Draft Letter of Offer – Summary of outstanding litigation and defaults*" on page 44. Litigations involving intellectual property rights issues, particularly patents, regardless of the merits or eventual outcome, are costly and time consuming and we may incur significant costs and/or a significant reduction in revenue in defending the action and from the resulting delays in manufacturing, marketing or selling any of our products subject to such claims.

There is a risk that such legal proceedings may not be decided in our favour. Furthermore, there is a risk that we may be involved in material legal proceedings in the future, including civil, criminal, consumer, intellectual property and tax-related litigations. Litigations can divert significant management time and attention, and consume significant financial resources in their defence or prosecution. In addition, if any proceeding in which we may be involved in and is decided against us, or if penalties are assessed and/or sanctions imposed on us in the future, it may have a material adverse effect on our business prospects, reputation and financial condition.

4. ***We have limited control over the operations and businesses of local third-party entities appointed to import, register and distribute our products in the foreign markets.***

In many of the foreign markets in which we operate, we generally appoint a local third-party(ies) or entity(ies) to import, register and distribute our products. We have limited control over the operations and businesses of such entities. Generally, our marketing partnerships agreements provide that either party may terminate such arrangements by giving a written notice. Additionally, some of these agreements may be terminated by the relevant counter party for other reasons, such as in the event certain milestones are not attained or the relevant counter party determines that the marketing of the product is no longer economically viable.

We also compete for partners with other leading pharmaceutical companies that may have more visibility, greater brand recognition and financial resources, and a broader product portfolio than we do. If our competitors provide greater incentives to our partners, our partners may choose to promote the products of our competitors instead of our products and we may be unable to appoint another partner in such jurisdiction in a timely manner, or on commercially viable terms, or at all.

Our reliance on, and inability to control, local sales, marketing and distribution agents, or the alteration or termination of our currently existing distribution and marketing agreements or our inability to enter into new marketing agreements, may result in loss of market opportunities, disruption to product sales and distribution, or increased costs associated with identifying and appointing alternative partners, which may adversely affect our business prospects and financial condition.

5. ***Our business is subject to extensive regulation. Any failure to comply with regulations prescribed by governments and regulatory authorities could adversely affect our business prospects, results of operations and financial condition.***

We operate in a highly regulated industry, and our operations are subject to extensive regulation in each market in which we do business. All aspects of our business, including research and development, manufacturing, and sales and marketing activities, are subject to extensive legislation and regulation by various local, regional, national and overseas regulatory regimes. Our business is also subject to the receipt of all required licenses, permits and authorizations, including local land use permits, manufacturing permits, building and zoning permits, and environmental, health and safety permits. We are also subject to laws and regulations governing employee relationships, including minimum wage, maximum working hours, overtime, working conditions, hiring and termination, contract labour and work permits. If we fail to comply with applicable laws and regulations, we may be subject to penalties, including revocation or suspension of licenses and approvals, and criminal sanctions. Failure to obtain required licences and approvals or to comply with applicable laws could also lead to imposition of sanctions by the relevant authorities, including penalties.

Our business is substantially dependent on exports. Regulatory authorities in many of these markets in which we market and sell our products such as United States, European Union, Latin America must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India or other markets. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business licenses and approvals and imposition of fines and criminal sanctions in those jurisdictions.

We also have ongoing obligations to regulatory authorities, including the CDSCO and the USFDA, both before and after a product's commercial release. Regulatory agencies may at any time reassess our manufacturing facilities or the efficacy of our products based on newly developed scientific knowledge or other factors and our products are subject to auditing processes by various regulators, including the USFDA. If such audits or other reassessments result in warnings or sanctions, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such relevant jurisdiction, which may adversely affect our business prospects and financial condition.

Failure to comply with applicable statutory or regulatory requirements could delay the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. Further, regulatory requirements are still evolving in many markets and are subject to change and as a result, may, at times, be unclear or inconsistent. Consequently, there is increased risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns, sanctions by the relevant authorities, and delays in obtaining regulatory approvals for our new products.

6. ***We depend to a large extent on third-party suppliers and distributors for the raw materials and certain APIs to manufacture our products. A prolonged interruption in the supply of such products may have a material adverse effect on our business and financial condition.***

The raw materials essential to our manufacturing business are purchased from domestic as well as international suppliers. If we experience supply interruptions or delays, we may have to obtain substitute materials or products which may lead to significant delays in production and higher raw material costs. Generally, we do not execute agreements with any of the suppliers for long-term supplies of raw materials. Therefore, we are exposed to the risk of inadequate supplies of raw materials and certain APIs, as well as price escalations. The availability and prices of raw materials and APIs required for our production of pharmaceutical products may be impacted by factors such as general market conditions, including increased demand for such materials and ingredients, weather conditions and the occurrence of natural disasters, many of which are outside of our control. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials or APIs at a suitable price for us to meet the demand for our products. The available amounts of raw materials may not adjust in response to increasing demand of our customers. We may also be unable to respond to increases in the prices for raw materials and APIs, and unable to pass on such price increases to our customers. Further, for certain raw materials, we rely on limited suppliers because of the nature of the supply and scarce availability. In the event that any of our suppliers fail to continue to supply us with adequate quantities of raw materials and APIs at commercially reasonable prices or if we are not able to procure raw materials and APIs from other sources on commercially-acceptable terms, our ability to fulfil existing business commitments and procure new business may be adversely affected.

In addition, we use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic and overseas customers and distributors. Factors such as increased transportation costs and transportation strikes may adversely impact the supply of raw materials that we require and the delivery of our products. In addition, raw materials and products may be lost, delayed or damaged in transit for various reasons including accidents and natural disasters.

Further, the ongoing geopolitical tensions, such as the ongoing conflict in the Middle East, the ongoing conflict between Russia and Ukraine and trade tension between the United States and China, could potentially impact freight costs, raw material and solvent costs, and delivery timelines. The geopolitical environment remains a variable that requires careful monitoring, as it has the potential to significantly affect our operating costs and supply chain efficacy. There is a risk that we may not be able to continue to obtain these raw materials in the future, at current levels. In the event of any disruption to our supply of the raw materials and APIs necessary for the production of our pharmaceutical products at commercially acceptable prices, we may be forced to reduce, suspend or cease production or sale of certain of our pharmaceutical products, and our sales volumes for the relevant product may be adversely affected.

7. ***In the United States and many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. If we fail to obtain such approvals in a***

timely and cost-efficient manner, or at all, our business, prospects, results of operations and financial condition could be adversely affected.

In the United States and many of the international markets in which we sell our products, the approval process for a new product can be complex, lengthy and expensive. The time taken to obtain approvals varies by country but generally takes between six months and several years from the date of application. If we fail to obtain such approvals, licenses, registrations and permissions, in a timely and cost-efficient manner or at all, our business, prospects, results of operations and financial condition may be adversely affected.

In addition, if we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of approval for marketing new products. Moreover, if we fail to comply with the conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products. We may also be required to defend our applications in a legal proceeding or otherwise, which may lead to an increase in time or costs for obtaining such approvals.

We also export pharmaceutical products from India, exporting API and formulation products to several countries, including some where we have limited experience and are subject to risks related to complying with a wide variety of local laws, including restrictions on the import and export of certain intermediates, drugs, technologies and multiple and possibly overlapping tax structures. If we fail to comply with such regulations, it could lead to restrictions on sale of products, enforced shutdowns and other sanctions imposed by relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products.

8. ***Our business is dependent on our manufacturing facilities, and any delay in production at, or the loss or shutdown of operations at any of our manufacturing facilities may have an adverse effect on our business, financial condition and results of operations.***

As of March 31, 2026, our Company operates nine manufacturing facilities located across the states of Andhra Pradesh, Assam, Tamil Nadu, Telangana and Uttarakhand. The success of our manufacturing activities depends on, among other things, the continued functioning of our manufacturing processes and machinery, the productivity of our workforce and compliance with regulatory requirements.

Any interruption at our manufacturing facilities, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, may delay production or require us to shut down the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture such product for the duration of such shut down. The shutdown of any of our facilities could result in us being unable to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition. In addition, we operate in a highly regulated industry and may also be subject to manufacturing disruptions due to delays in receipt or renewal of regulatory approvals, which may require our manufacturing facilities to limit or cease production until the required approvals are received or renewed, as the case may be, or disputes concerning these approvals are resolved. Our manufacturing facilities are also subject to operating risk arising from compliance with the directives of relevant government authorities, and any non-compliance may lead to a loss of licenses, certifications and permits. While we maintain industrial all risk insurance to mitigate such risks, our business prospects, financial condition and results of operations may be materially and adversely affected by any prolonged disruption or shutdown of operations at our manufacturing facilities, including due to any of the factors mentioned above.

9. ***Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.***

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

Drug Prices Control Order, 2013 (“**DPCO**”), promulgated by the Government of India and administered by the National Pharmaceutical Pricing Authority (“**NPPA**”). If a given pharmaceutical product falls within the DPCO, the product’s price could be significantly lower than what its market price would be without such price restriction. Any changes to these prices stipulated by the DPCO, NPPA or other similar authorities, or the inclusion of other of our pharmaceutical products not currently within the DPCO, may have an adverse effect on our profitability. Any unforeseen changes in the regulatory environment in relation to prices of our products, or our inability to comply with the applicable regulatory requirements may adversely affect our business, results of operations and cash flows.

An Indian API industry faces stiff competition from imported API, mainly coming from low-cost destinations like China. It is estimated that more than 70-75% of the API requirements of Indian pharmaceutical industry is met by imports. Domestic manufacturers have been struggling to match up to the competition posed by imports. However, the recent initiatives by the Indian Government to reduce the over reliance on imports is slowly improving this situation. The Government have announced & implemented several policies in the past few years to improve the domestic API manufacturing scenario. Although the full impact is yet to be felt, these initiatives are improving the operating environment and eventually is expected to develop the domestic API production landscape. However, till that happens, imports would play a key role and they would continue to pose strong threats to domestic industry.

10. If we fail to obtain exclusive marketing rights under Paragraph IV ANDA filings for our generic products or fail to introduce these generic products on a timely basis, it may adversely affect our business, prospects and financial condition.

We have a substantial presence in the United States market with 45+ approved ANDA applications and 25+ products in our pipeline. We have made 28 Paragraph IV filings, of which 17 have received tentative or final approval. The Hatch-Waxman amendments to the Federal Food, Drug, and Cosmetic Act (the “**FDCA**”) provide for a period of 180 days of generic marketing exclusivity for any applicant that is first to file an ANDA containing a certification of invalidity, non-infringement or unenforceability related to a patent listed with respect to the corresponding branded drug (commonly referred to as a “**Paragraph IV certification**”). A Paragraph IV filing is made when an ANDA applicant believes its product or the use of its product does not infringe on the innovator’s patents or where the applicant believes that such patents are not valid or enforceable. If successful, Paragraph IV filings enable the filer to launch the product in the United States prior to the expiry of the patent. “First filers” are often able to price the applicable generic drug to yield relatively high gross margins during this 180-day marketing exclusivity period. We have made several ANDA filings for Paragraph IV certification which are under review with USFDA. We intend to leverage this exclusivity period from sales of generic drugs to generate higher revenues, as well as from sales of other generic products for which there is otherwise limited competition.

These products are often difficult and expensive to manufacture. Further, ANDAs that contain Paragraph IV certifications generally become the subject of patent litigation that can be both lengthy and costly. There is no certainty that we will prevail in any such litigation, that we will be the first to file and granted the 180-day marketing exclusivity period, or, if we are granted the 180-day marketing exclusivity period, that we will not forfeit such period. Even where we are awarded marketing exclusivity, we may be required to share our exclusivity period with other first filers. Furthermore, timely commencement of the litigation by the patent owner imposes a stay of ANDA approval by the USFDA for certain period, unless the case is decided in the ANDA applicant’s favour during that period. Finally, if the court decision is adverse to the ANDA applicant, the ANDA approval may be delayed until the challenged patent expires, and the applicant forfeits the 180-day marketing exclusivity.

11. If we are unable to adequately protect our intellectual property, or if the scope of our intellectual property fails to sufficiently protect our proprietary rights, it may have a material adverse impact on our business prospects and financial condition.

Our commercial success depends in part on our ability to protect our existing intellectual property and to obtain other intellectual property rights. We rely on a combination of patents, non-disclosure agreements and non-competition agreements to protect our proprietary intellectual property. If we do not adequately protect our intellectual property, competitors may be able to imitate our products, use our technologies and erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. Furthermore, we cannot assure you that any of our pending patent applications will mature into issued patents, or that such patents, if issued, will provide us with adequate proprietary protection or competitive advantages.

Further, we have obtained trademark registration of the name of our Company 'NATCO' under class 5 of the Trade Marks Act, 1999, as well as the trademark registration for our logo under classes 5 and 30 of the Trade Marks Act, 1999, with the Registrar. We have also applied for certain registrations in connection with the protection of trademarks of our products. Further, certain of our trademarks, including those for products which we currently sell, could be unregistered, expired, removed, opposed, withdrawn, refused, objected or are otherwise under dispute. Our inability to obtain or maintain these registrations may adversely affect our competitive business position.

Further, certain trademarks for our products are registered in name of our Promoters. These trademarks are licensed by our Promoters to our Company. If our Promoters choose to terminate the licensing arrangements with our Company for usage of their registered trademarks, we may not be able to continue to market our products under same brand name, which could adversely affect our competitive business position. While we are currently under the process of transfer of ownership of such trademarks from our Promoters to our Company, until such time that the transfer of ownership is complete, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities.

While we intend to defend against any threats to our intellectual property, there is a risk that our patents, trade secrets or other agreements may not be able to adequately protect our intellectual property. Our patent rights may not prevent our competitors from developing, using or commercializing products that are functionally equivalent or similar to our products. Detecting and policing unauthorized use of proprietary technology are difficult and expensive. We may need to resort to litigation to enforce or defend patents issued to us or determine the enforceability, scope and validity of our proprietary rights or those of others. An adverse determination in any such litigation could materially impair our intellectual property rights.

Further, our patent applications may fail to result in patents being issued, and our existing and future patents may be insufficient to provide us with meaningful protection or a commercial advantage. There is a risk that patents issued to or licensed by us in the past or in the future may be challenged or circumvented by competitors or that such patents may not be found to be valid or sufficiently broad to protect our processes or to provide us with any competitive advantage. We may be required to negotiate licenses for patents from third parties to conduct our business, which may not be available on reasonable terms or at all.

We also rely on non-disclosure agreements and non-competition agreements with certain employees, consultants and other parties to protect trade secrets and other proprietary rights that belong to us. There is a risk that these agreements may be breached, that we may not have adequate remedies for any breach or that third parties may otherwise gain access to our trade secrets or proprietary knowledge. If our intellectual property rights are inadequate, or we otherwise fail to sufficiently protect our intellectual property, our business prospects and financial condition may be adversely affected.

12. We may be subject to claims of infringement of third-party intellectual property rights, which could adversely affect our business and reputation.

We operate in an industry characterized by extensive patent litigation, including both litigation by innovator companies relating to purported infringement of innovative products and processes by generic pharmaceuticals and litigation by competitors or innovator companies to delay the entry of a product into the market. Patent litigation can result in significant damages being awarded and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties in order to manufacture or sell such products. While it is not possible to predict the outcome of patent litigation, we believe any adverse result of such litigation could include an injunction preventing us from selling our products or payment of significant damages or royalty, which would affect our ability to sell current or future products or prohibit us from enforcing our patent and proprietary rights against others.

While we take care to ensure that we comply with the intellectual property rights of third parties, any claims of intellectual property infringement from third parties, regardless of merit or resolution of such claims, may force us to incur significant costs in responding to, defending and resolving such claims, and may divert the efforts and attention of our management and technical personnel away from our business. The risk of being subject to intellectual property infringement claims will increase as we continue to expand our operations and product offerings. For example, Hoffman-La-Roche Limited has filed a suit against us before the High

Court of Judicature at Delhi for alleged infringement of its patented drug *Risdiplam*. As a result of such claims, we may be required to pay third party infringement claims, alter our technologies, obtain licenses or cease some portions of our operations. The occurrence of any of the foregoing may result in unexpected expenses. In addition, if we alter our technologies or cease production of affected items, our revenue may be adversely affected.

13. ***We expend a significant amount of resources on research and development, and if our research and development efforts do not succeed, or do not lead to successful product introductions, it could adversely affect our business, prospects and results of operations.***

In order to remain competitive, we must develop, test and manufacture new products, which must meet regulatory standards and receive requisite regulatory approvals. To accomplish this, we commit substantial effort, funds and other resources towards research and development. We spent approximately ₹4,086 million on research and development during Fiscal 2026, representing 11.37% of our standalone revenue and 10.02% of our consolidated revenue for such Fiscal.

Typically, research expenses related to the development of innovative compounds and the filing of regulatory applications for new chemical entity products are significantly greater and time consuming than those expenses associated with regulatory applications for generic drugs. Much of our development effort is focused on complex, niche and difficult-to-formulate products and/or products that require advanced manufacturing technology. We expend resources on research and development primarily to enable us to manufacture and market regulatory approved pharmaceuticals in accordance with applicable regulations.

Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues. Delays in any part of the process, our inability to obtain necessary regulatory approvals for our products or failure of a product to be successful at any stage and therefore not reach the market could adversely affect our goodwill and affect our operating results. We may or may not be able to take our research and development innovations through the different testing stages without repeating our research and development efforts or incurring additional amounts towards such research. Additionally, our competitors may commercialize similar products before us. To the extent that we expend significant resources on research and development efforts and are not ultimately able to introduce successful new products as a result of those efforts, our business, reputation and results of operations may be materially adversely affected. We also propose to utilise up to ₹ 1,100 million out of the Net Proceeds from the Issue towards funding a portion of the expenditure towards research and development initiatives of our Company, including towards funding costs of employees in our R&D team. For details, see "*Objects of the Issue – Funding a portion of the expenditure towards research and development initiatives of our Company, including funding costs of employees in our research and development team*" on page 57.

14. ***Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business prospects and financial condition.***

Our business depends on our estimate of the long-term demand for our products from our customers. If we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. While we forecast the demand for our products and accordingly plan our production volumes, any error in our forecast may result in surplus stock, which may not be sold in a timely manner. Also, each of our products has a shelf life of a specified number of years and if not sold prior to expiry, may lead to losses or if consumed after expiry, may lead to health hazards. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business prospects and financial condition.

15. ***Our international operations expose us to increased regulatory oversight and regulatory, economic, social and political uncertainties, which could cause a material adverse effect on our business, financial position and results of operations.***

We have a global presence and sell our products in the United States, Canada, Europe and emerging markets, including countries in Latin America and the Asia Pacific region. As a result, our business is subject to risks and challenges associated with international expansion, operations and investments, including risks related to complying with several local laws, restrictions on the import and export of certain intermediates, drugs, technologies, multiple tax and cost structures, cultural and language factors. Further, regulatory requirements are still evolving in many markets and are subject to change and as a result may, at times, be unclear or inconsistent.

There are a number of risks in doing business abroad, including political and economic uncertainty, social unrest, sudden changes in laws and regulations, changes in trade relationships between countries and shortages of trained professionals. These risks may impact our ability to expand our operations in different regions and otherwise achieve our objectives relating to our foreign operations, including utilizing these locations as suppliers to other markets. Certain jurisdictions have, from time to time, experienced instances of civil unrest and hostilities, both internally and with neighbouring countries. Rioting, military activity, terrorist attacks, or armed hostilities could cause our operations there to be adversely affected or suspended. In addition, compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and exchange controls is expensive. Our foreign operations also subject us to the risks of international terrorism and hostilities and to foreign currency risks, including exchange rate fluctuations and limits on the repatriation of funds.

Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to differing interpretations. Differing interpretations of tax and other fiscal laws and regulations may exist within various governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results as well as a risk of non-compliance with such standards. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by various government or tax authorities, may result in our tax risks being significantly higher than expected.

We may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations and create unforeseen operating difficulties. If we do not effectively manage our international operations, it may affect our profitability from such countries, which may adversely affect our business prospects and financial condition.

16. ***The pharmaceutical industry is intensely competitive and our inability to compete effectively may limit our growth and materially and adversely affect our business and financial condition.***

The pharmaceutical industry is a highly competitive market with several major pharmaceutical companies present, and therefore it is challenging to improve market share and profitability. The principal competitive factors in the pharmaceutical market include:

- introduction of other generic drug manufacturers' products in direct competition with our products;
- introduction of authorized generic products in direct competition with our products, particularly during exclusivity periods;
- ability of generic competitors to quickly enter the market after the expiration of patents or exclusivity periods, diminishing the amount and duration of significant profits;
- the willingness of generic drug customers, including wholesale and retail customers, to switch among products of different pharmaceutical manufacturers;
- pricing pressures by competitors and customers;
- a company's reputation as a manufacturer and distributor of quality products;
- a company's level of service (including maintaining sufficient inventory levels for timely deliveries);
- product appearance and labelling; and
- a company's breadth of product offerings.

Many of our competitors may have longer operating histories and greater financial, research and development, marketing and other resources than we do, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges or a stronger sales force. Consequently, many of our competitors may be able to develop products and processes that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our growth, business and financial condition.

We also face price competition generally as other generic manufacturers enter the market. Any such price competition may be especially pronounced where our competitors source their products from jurisdictions where production costs may be lower (sometimes significantly) than our production costs, especially lower-cost foreign jurisdictions. Further, some of our competitors, which include major multinational corporations, are consolidating and integrating, and the strength of combined companies could affect our competitive position in all of our business areas. Consolidated corporations may have greater financial, manufacturing, research and development, marketing and other resources, broader product ranges and larger, stronger sales forces, which may make them more competitive than us. Any of these factors, in turn, may result in reductions in our sales prices and gross margin. This price competition has led to an increase in customer demands for downward price adjustments by generic pharmaceutical distributors.

Further, revenues and gross margins derived from generic pharmaceutical products often follow a pattern based on regulatory and competitive factors that we believe are unique to the generic pharmaceutical industry. Typically, in jurisdictions like the USA, as the patent(s) for a brand/innovator name product or the statutory marketing exclusivity period expires, the first generic manufacturer to receive regulatory approval for a generic equivalent often captures a substantial share of the market. However, as other generic manufacturers receive regulatory approvals for their own generic versions, that market share, and the price of that product, typically declines depending on several factors, including the number of competitors, the price of the branded product and the pricing strategy of the new competitors. We cannot assure that we will be able to continue to develop such products or that the number of competitors will not increase to such an extent that we may stop marketing a product for which we previously obtained approval, which may have a material adverse impact on our business prospects and financial condition.

17. ***We rely on third party clinical research organizations. Any failure to comply with applicable regulations and guidelines and delay in conducting clinical trials may adversely affect our business operations.***

We depend on independent clinical investigators, clinical research organisations and other third-party service providers to conduct clinical trials and pre-clinical investigations of our new products on our behalf and may continue to engage such organizations in the future. We also collaborate with other parties having technical and business capabilities to conduct early-stage testing of products we intend to develop. We rely on such parties for successful execution of our clinical trials, but we do not control many aspects of their activities. We may face risks regarding the reliability of third-party organizations to deliver critical services, tests, and biological supplies. If these providers fail to meet our strict quality standards or contractual agreements, it could severely delay our product and process development timelines.

In some cases, there may be only one or a few providers of such services, including clinical data management services. Our reliance on these third parties and collaborators reduces our control over these activities but does not relieve us of our regulatory responsibilities, including ensuring that our clinical trials are conducted in accordance with current good clinical practices regulations and the investigational plan and protocols contained in regulatory agency applications. In addition, these third parties may not complete activities on schedule. If these third parties or collaborators do not successfully carry out their contractual duties or meet expected deadlines, obtaining regulatory approval for manufacturing and commercialization of our product candidates may be delayed or prevented or an enforcement action may be brought against us.

Further, we also rely substantially on the performance and availability of third-party data managers for our clinical trial data. We may face operational risks from third-party vendors regarding potential deficiencies in data design, management, and system retention. Additionally, if these third parties fail to satisfy regulatory audit requirements, it could severely delay or prevent our product approvals.

18. ***We have recently diversified into the agriculture business through our crop health sciences division. We have limited experience in the agro-chemicals sector, and our ability to establish and grow this business is subject to significant risks, including regulatory, competitive, distribution and climate-related challenges.***

Through our crop health sciences division ("**CHS Division**"), we have recently diversified into the agriculture business, specifically the manufacturing, marketing and distribution of bioproducts, pesticides and insecticides. Our ability to grow the CHS Division will depend on numerous factors, including our ability to identify demand patterns in the agricultural sector, develop commercially viable products, compete effectively with established players, exercise effective quality control, hire and train qualified personnel, and implement appropriate operational and financial controls. In addition, changes in climate patterns may alter cropping patterns adopted by the farming community, shift pest profiles and affect the timing and intensity of seasonal demand for our products. If we are unable to introduce new products suited to such changed patterns in a timely manner, it may affect sales of our existing products.

The agrochemical industry relies heavily on extensive, multi-layered distribution networks to ensure effective market penetration. Our ability to grow our product reach depends significantly on our ability to establish, maintain and effectively manage a robust distribution network by appointing new distributors and building relationships with channel partners across key agricultural regions. We may face risks regarding our ability to build and manage the distribution network and secure favourable terms with new distributors. If competitors offer more attractive commercial incentives, our distributors may refuse to carry our products or choose to terminate their existing arrangements with us.

The agro-chemicals sector is subject to extensive and evolving regulatory frameworks in India and internationally, governing product registrations, approvals, manufacturing standards, environmental standards, labelling requirements, packaging, storage, transportation and the handling and disposal of hazardous substances. To manufacture, distribute and sell our agrochemical products, we are required to obtain and maintain various statutory and regulatory permits, licences and approvals, including registrations from the Central Insecticides Board and Registration Committee ("**CIB&RC**"). Any failure to obtain or renew required registrations, permits or approvals in a timely manner may delay or prevent the commercialisation of our products, restrict our operations or require us to incur significant costs to achieve compliance, any of which may adversely affect our business prospects, results of operations and financial condition of the division. Moreover, regulatory authorities may impose more stringent requirements for product approvals, environmental standards, maximum residue levels or labelling and packaging standards, or may ban or restrict the use of certain active ingredients or formulations that we use in our products.

The agro-chemicals sector in India is characterised by intense competition from both domestic and multinational companies, many of which have significantly greater financial, technical and managerial resources, greater access to raw materials and customers, better know-how and superior manufacturing facilities than we possess. As a new entrant, we lack the brand recognition, established customer relationships and market penetration that many of our competitors enjoy. Our competitors may be able to respond more quickly to changing market demands, devote greater resources to the development, promotion and sale of their products, and adopt more aggressive pricing strategies. Pricing pressure from competitors, including from the unorganised sector, may require us to reduce our prices in order to maintain or grow our market share, and any inability to offset such pressures through improved operating efficiencies, reduced input costs or product differentiation may compress our margins and affect our profitability, business prospects and financial condition of the division.

In addition, while we take care to ensure that our products and processes comply with the intellectual property rights of third parties, we cannot determine with certainty whether we are infringing upon any existing third-party intellectual property rights, including patents, proprietary formulations, trade secrets or technical works. Third parties may assert claims that our products, processes or technologies infringe their patent rights or other intellectual property. Any such claims, regardless of their merit, may be time-consuming and expensive to defend, may divert the attention and resources of our management and technical personnel, and may subject us to significant liabilities for damages.

Our limited experience in this sector may make it difficult for investors to evaluate our future prospects in this segment based on our historical performance as a pharmaceutical company. Any failure to effectively manage the risks and challenges associated with this new business may have an adverse effect on our business prospects, results of operations and financial condition.

19. We have undertaken and may continue to undertake acquisitions of, or investments in, complementary businesses or products, or seek to engage in strategic transactions, which may be on terms that may not turn out to be commercially advantageous, may require additional debt or equity financing, and may involve additional risks.

In addition to growth through our internal efforts, we regularly review the potential acquisition of technologies, products, product rights and complementary businesses and intend to continue to evaluate potential products and company acquisitions and other business development opportunities to increase our geographic presence and product portfolio. For instance, our Company acquired a 34.88% stake in Adcock Ingram Holdings Proprietary Limited in South Africa in calendar year 2025 and an additional 13.25% stake in calendar year 2026, taking our aggregate stake in Adcock Ingram Holdings Proprietary Limited to 49%. These strategic acquisitions may require that our management develop expertise in new areas, integrate the operations, technologies, research and development activities, personnel, operational culture and marketing and distribution initiatives, manage new business relationships and attract new types of customers. However, we cannot assure that we will be able to identify suitable acquisition, strategic transaction or investment opportunities. Even if we identify suitable opportunities, we cannot assure that we will be able to reach an agreement with the other party or parties, that the terms will be commercially advantageous to us, that we will be able to successfully consummate such transactions even after definitive documents have been signed, or that we will be able to successfully obtain relevant governmental or third-party consent to consummate these transactions.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, unanticipated capital requirements, the diversion of resources from our existing businesses and technologies, ineffectiveness or incompatibility of acquired technologies and manufacturing practices, our inability to generate sufficient revenue to offset the costs of acquisitions, currency risks, economic, political and regulatory risks associated with specific countries and potential loss of, or harm to, relationships with employees, suppliers or customers, and inability to maintain our standards, controls, procedures and policies, which could affect our ability to assess the effectiveness of our internal control structure and procedures for financial reporting and increased fixed costs, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

20. ***Our business depends on our ability to attract, develop and retain qualified scientists, technical personnel, regulatory professionals, and other skilled employees. Our inability to retain key personnel or recruit suitably qualified employees may adversely affect our research and development activities, regulatory approvals, manufacturing operations and growth.***

The pharmaceutical industry is knowledge-intensive, and our operations require personnel with specialised expertise across areas including pharmaceutical research and development, formulation development, API development, intellectual property, regulatory affairs, quality assurance, manufacturing, engineering, domestic and international commercial operations.

Our ability to successfully identify and develop complex pharmaceutical products, obtain regulatory approvals, operate our manufacturing facilities in compliance with applicable standards and commercialise our products depends significantly upon the experience and technical expertise of our employees. Competition for suitably qualified pharmaceutical, scientific, regulatory and technical personnel may be significant, particularly for personnel possessing specialised expertise in complex generics, intellectual property, regulatory filings and manufacturing processes.

The loss of members of our senior management or employees possessing specialised technical, scientific, regulatory or commercial knowledge may result in the loss of institutional knowledge and may disrupt our operations. Replacement of such personnel may require considerable time and expense and suitable replacements may not be immediately available. This risk may be particularly relevant to our research and development activities, given that our business strategy includes the identification and development of complex, niche and high-value products. Delays or disruptions in our research and development programmes as a result of employee attrition or shortages of appropriately skilled personnel may delay regulatory filings and product launches and reduce the commercial opportunity available in respect of such products.

Further, as our business expands into additional products and geographies, our requirements for appropriately qualified managerial, technical and commercial personnel may increase. Our inability to expand our workforce and management capabilities in line with the growth and increasing complexity of our operations may constrain our ability to execute our business strategy. Accordingly, our inability to attract, develop and retain qualified personnel, or the loss of key members of our management or technical teams, may adversely affect our research and development activities, manufacturing operations, regulatory compliance, growth prospects, business and results of operations.

21. ***Exchange rate fluctuations may adversely affect our results of operations and financial condition as our export sales and sales outside India and a portion of our expenditures are denominated in foreign currencies.***

Our financial statements are prepared in Indian rupees. However, our net revenues from operations for our international operations and a portion of our expenditures are denominated in foreign currencies, including the United States dollar, the Euro, the Rands and the Canadian dollar. While, as a result of portions of both our expenditures and net revenues from operations being denominated in foreign currencies, we have a natural hedge against exchange rate risks, the balance of our expenses and revenues is still affected by fluctuations in exchange rates among the United States dollar, Euro, the Canadian dollar and Indian rupee. Exchange rate fluctuations could affect the amount of income and expenditure we recognize and the value of our investments in our subsidiaries and joint ventures. In addition, the policies of the Reserve Bank of India may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations.

Further, our future capital expenditures, including any imported equipment and machinery, may be denominated in foreign currencies. Consequently, a decline in the value of the Indian Rupee against such other currencies could increase the Indian Rupee cost of servicing our debt or making such capital expenditures. The exchange rates between the Indian rupee, the United States dollar and the Euro have varied substantially in recent years and may continue to fluctuate significantly in the future.

22. ***Any non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, could result in regulatory action, suspension of operations, significant liabilities and reputational harm.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our research and development and manufacturing activities and the improper handling or storage of these materials, chemicals or boiler plants may result in accidents, injure our personnel, property and damage the environment. We try to prevent such hazards by training our personnel, conducting industrial hygiene assessments and employing other safety measures. However, we cannot assure you that we will not experience accidents in the future. Any accident at our facilities may result in personal injury or loss of life, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facilities may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing may subject us to litigation, which may lower our profits in the event we were found liable, and may also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn may lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We may face risks related to our ability to maintain strict compliance with all applicable environmental, health, safety, and labour laws, regulations, or permit terms and such non-compliance may present a risk of production curtailments or a material increase in our costs of production.

23. ***We are required to obtain, renew and maintain statutory and regulatory permits, licenses and approvals for our business operations from time to time. Any failure or delay to obtain or renew them in a timely manner may adversely affect our operations.***

We require certain statutory and regulatory permits, licenses and approvals to carry out our business operations and certain of these licenses are subject to periodic renewal wherein applications for their renewal need to be made within certain timeframes. While we apply for these approvals and permits on a periodic basis in the ordinary course of our operations, however, there is a risk that we may experience delays in receiving such renewals or approvals, which may disrupt our business operations.

24. ***Natural calamities, climate change and health epidemics and pandemics as well as hostilities, terrorist attacks, civil unrest and other acts of violence may adversely affect our business prospects and financial condition.***

Natural calamities, such as earthquakes and floods, in the countries where we operate, may have an adverse impact on the economy which, in turn, may adversely affect our business prospects and financial condition. Further, any outbreak of health epidemics may restrict the level of business activity in affected areas, which may adversely affect our business.

Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They may also make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services may adversely affect our reputation, our relationships with customers, and our senior management's ability to administer and supervise our business, or may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our facilities. Further, our business continuity and disaster-recovery plans, backup systems and cyber-resilience measures may prove insufficient to prevent disruptions to our digital platforms and operations or counter cyber-attacks, supply-chain failures, prolonged power or telecom outages, or other force-majeure events. For instance, operations at our manufacturing facility located at Manali Industrial Area, Chennai, Tamil Nadu were temporarily disrupted due to a cyclone which resulted in flooding of our factory premises in 2023. We cannot assure you that any of the above factors may not adversely affect our business prospects, results of operations and financial condition.

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. If mass protests lead to civil unrest, such incidents may impact both our operations and adversely affect our business prospects and financial condition. Such political tensions could also create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia and the Middle East, may influence the Indian economy and may have a material adverse effect on the market for securities of Indian companies.

25. ***We depend upon our Key Managerial Personnel and members of Senior Management, the loss of whom could adversely affect our operations. If we fail to attract and retain the talent required for our business, our business could be materially harmed.***

We depend significantly on our Key Management Personnel and members of Senior Management, including our research and development team. The loss of services from any of these individuals may significantly delay or prevent the achievement of our product development or business objectives. Key employees may terminate employment at any time without notice or with short notice, and without cause or good reason, and we may have little or no legal recourse to retain them. Our success depends upon our ability to attract and retain highly qualified personnel. The loss of senior management could seriously impair our ability to continue to manage and expand our business. Our executives and researchers possess technical and business capabilities that may not be easily replaceable. Competition among pharmaceutical companies for qualified employees is intense, and our ability to attract and retain qualified individuals is critical to our success. We may not be able to attract and retain these individuals on acceptable terms, or at all, which could significantly impair our ability to compete. If we lose the services of any of our key personnel, we may be unable to replace them in a timely manner, which may affect our ability to manage and expand our business.

26. ***Significant disruptions of information technology systems or breaches of data security could adversely affect our business.***

We depend upon information technology systems, including internet-based systems, for our business operations. The size and complexity of our computer systems make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. Our information technology systems are subject to inherent risks, including system failures, disruptions, cyber-attacks, security breaches, unauthorized access, data loss and other technological or operational risks. Any such disruption or failure of our information technology systems could adversely affect our business, operations and financial performance. While we have implemented measures to manage and mitigate such risks, there can be no assurance that these measures will be effective in preventing or mitigating the impact of such events.

In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Such data security breaches could lead to the loss of trade secrets or other intellectual property or could lead to the public exposure of personal information (including sensitive personal information) of our employees, customers and others. Any such security breaches could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

27. ***We have incurred indebtedness, and any inability to comply with repayment obligations or financial and other covenants under our financing agreements, or increase in borrowing costs, could adversely affect our business, results of operations, cash flows and financial condition.***

As at August 31, 2026, we had aggregate loans, both secured and unsecured, short term and long term, including current maturities of long term borrowings, aggregating to ₹9,543 million on a consolidated basis. Most of our financing arrangements are secured by our movable and immovable assets.

Our financing agreements contain certain customary conditions and covenants, including restrictions or requirements relating to, among other matters, changes in the capital structure and shareholding pattern of our Company including change in shareholding of the Promoters, formulating any scheme of amalgamation or reconstruction; undertaking any new project, implementation of any scheme of expansion or acquisition of capital assets; creation of security interests, amendments to constitutional documents, declaring dividend except out of profits of that year, change in the management set-up; undertaking any guarantee obligations on behalf of any third party, and investments by way of share capital in or lending to any other concern. Our Company has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Issue and for the deployment of the Net Proceeds towards the Objects.

Further, our consortium working capital facility availed from various banks and led by Indian Bank provides a right to the consortium banks to utilize proceeds from any fresh issuance of Equity Shares towards repayment of the working capital facility availed. These restrictions may limit our flexibility in responding to business opportunities, competitive developments and adverse economic or industry conditions. A breach of any of these covenants, or a failure to pay interest or indebtedness when due under any of our credit facilities, may result in a variety of adverse consequences, including the acceleration of our indebtedness, and may adversely affect our ability to conduct our business.

Our financing agreements also generally contain certain financial covenants including the requirement to maintain, among others, specified debt-to-equity ratios. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. We may be unable to meet our future financial covenants and may not be able to secure waivers for any such failure in a timely manner or at all.

Any failure to comply with the terms of our financing arrangements, including repayment obligations or applicable covenants, could result in consequences under the relevant financing documents, including payment of additional interest, acceleration of amounts due or enforcement of security, subject to the terms of the relevant arrangements. Such events could adversely affect our liquidity, business, results of operations and financial condition.

Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising further financing. In addition, other third parties and customers may have concerns over our financial position and it may be difficult to market our financial products. Any of these circumstances or other consequences could adversely affect our business, credit rating, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares. Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/or any credit rating we may hold, which may harm our ability to incur additional indebtedness on acceptable terms.

28. Any change in the regulations, enforcement procedures or regulatory policies established by regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products, and our revenues could decline and we may not achieve profitability.

Our products generally must receive regulatory clearance from appropriate regulatory authority before they can be sold. Any change in the regulations, enforcement procedures or regulatory policies set by the regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products. Such changes may relate to, inter alia, manufacturing methods, labelling requirements, regulatory filing processes and environmental, health and safety requirements. We cannot determine the future effect of any changes in regulations, statutes, legal interpretation or policies on our business. Any increase in the time or costs required to comply with regulatory requirements or obtain regulatory approvals could delay the commercialisation of our products and adversely affect our business and results of operations.

29. We may become subject to claims and legal proceedings involving product liability claims that may adversely affect our business, financial condition and results of operations.

Pharmaceutical manufacturers are subject to regulatory scrutiny in many jurisdictions and are required to meet various quality standards and specifications for their products. Our business of developing, manufacturing, marketing and selling pharmaceutical products exposes us to potential product liability claims and litigation. Any product liability claim, product recall or regulatory action could result in costs, disruption to our operations and adverse publicity, and may adversely affect our reputation and sales.

Defense and settlement costs can be substantial, even for claims without merit. Due to the inherent uncertainty of the litigation process, such proceedings could take away from the time and effort of our management. If we are unable to defend ourselves against such claims, we may be subject to civil liability for physical injury, death or other losses caused by our products, as well as criminal liability and the revocation of our business licenses if our pharmaceutical products are found to be defective. In addition, we may be required to recall the relevant pharmaceutical products, suspend sales or cease sales. While we maintain product liability insurance and recall coverage, such insurance may not fully cover all potential losses.

30. The time necessary to develop generic drugs may adversely affect whether, and the extent to which, we receive a return on our capital.

We generally begin development activities for an API and formulation expected to become generic several years in advance of the patent expiration date of the brand-name drug equivalent. The development process, including drug formulation (where applicable), testing, and regulatory review and approval is a long-drawn process and often takes several years. This requires us to expend considerable capital on activities that do not yield an immediate or near-term return. Also, because of the significant time necessary to develop a product, the actual market for a product at the time it is available for sale may be significantly less than originally projected. If this occurs, our potential return on our investment in developing the product, if approved for marketing by the regulatory authority, would be adversely affected and may impact the return on our investment.

31. Our Promoters will be able to exercise significant influence and control over our Company after the Issue and may have interests that are different from those of our other shareholders.

As of June 30, 2026, our Promoters and promoter group hold 49.42% of the issued and outstanding Equity Shares of our Company. By virtue of this shareholding, our Promoters will have the ability to exercise significant control and influence over our Company and our affairs and business, including the election of Directors, the timing and payment of dividends, the adoption of and amendments to our Memorandum and Articles of Association, the approval of a merger, amalgamation or sale of substantially all of our assets, and the approval of most other actions requiring shareholder approval. The interests of our Promoters may differ from, or conflict with, those of our other shareholders. The exercise of their influence may result in a change in the management or control of our Company, even if such a change may not be beneficial to our other shareholders.

32. Our insurance coverage may not be sufficient or adequate to protect us against all material hazards, which may adversely affect our business, financial condition and results of operations.

We could be held liable for accidents that occur at our manufacturing facilities or otherwise arising out of our operations. In the event of personal injuries, fires or other accidents suffered by our employees or other people, we could face claims alleging that we were negligent, provided inadequate supervision or be otherwise liable for the injuries. We maintain industrial all risk policy for our research centre and manufacturing facilities, and clinical trials insurance, keyman insurance, director and officer's liability insurance and product liability insurance for the products that we manufacture and sell. We also maintain medical insurance policies for our employees.

While we believe that the insurance coverage which we maintain is reasonably adequate to cover the normal risks associated with the operation of our business, there is a risk that such coverage may not be sufficient to cover all losses, liabilities or damages arising from our business and operations. There is also a risk that claims made under our insurance policies may not be admitted or settled, whether in full or in part, or in a timely manner. If we experience product liability claims, business disruptions, or if key persons cease providing their services to us for any reason, we might incur substantial costs or diversion of resources, or be unable to replace such key persons in a timely manner or at all.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, however, there is a risk that such policies may not be renewed in a timely manner, on commercially acceptable terms, or at all. To the extent that we suffer loss or damage, for which we have not obtained or maintained insurance, or which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business prospects and financial condition may be adversely affected.

33. We may be affected by labour disruptions that could interfere with our operations.

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. We are exposed to the risk of labour stoppages at our manufacturing facilities. Employees at certain of our facilities are members of labour unions. Although we believe that we currently have good industrial relations with our employees, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing production of pharmaceutical products, increasing our cost of production, or even halting a portion of our production. This may also cause us to miss sales commitments, damage our relationships with customers and disrupt our supply chain, further affecting our revenue and margins.

Disruptions in our manufacturing activities may delay production or require us to shut down the affected manufacturing facility. Moreover, some of our products are permitted to be manufactured at only such facility which has received specific approvals, and any shut down of such facility will result in us being unable to manufacture such product for the duration of such shut down. Such an event will result in us being unable to meet with our contractual commitments and supply chain, which will have an adverse effect on our business, results of operation and financial condition.

34. We require substantial financing for our business operations and business growth, and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.

We require substantial capital for our business operations and its growth. Debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your interest in the Company, and could adversely impact our Equity Share price. Our ability to obtain additional financing on favourable terms, if at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities and the economic, political and other conditions in the markets where we operate. Further, we cannot assure you that we will be able to raise additional financing on acceptable terms in a timely manner or at all. Our failure to renew arrangements for existing funding or to obtain additional financing on acceptable terms and in a timely manner could adversely impact our planned capital expenditure and implementation of growth strategy, our business, results of operations and financial condition.

35. ***We have in the past entered into related party transactions and may continue to do so in the future.***

We have entered into certain transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may enter into related party transactions in the future. There is a risk that such transactions, individually or in the aggregate, may have an adverse effect on our financial condition and results of operations.

36. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of March 31, 2026, contingent liabilities disclosed in our consolidated financial information aggregated to ₹ 30 million. Our contingent liabilities are mainly on account of indirect tax and income tax disputes pending before various forums. If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details, see "*Financial Statements*" on page 74.

37. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control. Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 53. However, the deployment of the Gross Proceeds will be monitored by the Monitoring Agency, Crisil Ratings Limited.

Further, our schedule of implementation for the use of proceeds from the Issue may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs. Such time and cost overruns may adversely impact our business prospects and financial condition.

Further, while our Company intends to utilise a portion of the Issue Proceeds for strategic investments and acquisitions, it has currently not estimated specific amounts that will be deployed towards such object. However, such utilisation shall be done in such a manner to ensure that our Company does not utilise more than 35% of the Issue Proceeds towards funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes, out of which the amount to be utilised towards either of (a) general corporate purposes or (b) funding inorganic growth through unidentified acquisitions and other strategic initiatives, shall not exceed 25% of the Issue Proceeds. The exact amounts that will be utilised from the Issue Proceeds towards funding our strategic investments and acquisitions will depend upon our business plans, market conditions, our Board's analysis of economic trends and business requirements, competitive landscape, ability to identify and conclude inorganic acquisitions as well as general factors affecting our results of operations, financial condition and access to capital. Furthermore, our strategic investments and acquisitions may be delayed due to failure to receive regulatory approvals, technical difficulties, human resource, technological or for other unforeseen reasons, events or circumstances, some of which may be beyond our control.

38. ***We propose to utilise a portion of the Issue Proceeds to undertake inorganic growth and acquisitions for which the target may not be identified. Any risk in completing such transaction may adversely affect our competitiveness and growth projects.***

We intend to utilize a portion of our Issue Proceeds towards funding inorganic growth through unidentified acquisitions and other strategic initiatives, as set forth in "*Objects of the Issue – Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes – Funding inorganic growth through unidentified acquisitions and other strategic initiatives*" on page 60. We will evaluate inorganic growth opportunities, keeping in line with our strategy to grow and develop our market share or to add new product and service offerings. We may consider opportunities for inorganic growth, such as through mergers and acquisitions, to acquire new centres, expanding into new geographies, consolidate our market position in our existing lines of business, add new product and service offerings, achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits, and enhance our depth of experience, knowledge-base and know-how. This amount of Issue Proceeds proposed to be utilised for the aforesaid Objects is based on our management's estimates and may not be the total value or cost of any such acquisitions, or investments. The actual deployment of funds will depend on a number of factors, including the timing, nature, size and number of acquisitions to be undertaken, applicable regulatory restrictions as well as general factors affecting our results of operation, financial condition and access to capital. These factors will also determine the form of investment for these potential acquisitions, i.e., whether these will be in the nature of asset or strategic acquisitions or joint ventures.

As on the date of this Draft Letter of Offer, we have not identified any potential target for an investment or acquisition or entered into any definitive agreements towards any future acquisitions or strategic initiatives. It is also possible that we may not be able to identify suitable targets, or that if we do identify suitable targets, we may not be able to complete those transactions on terms commercially acceptable to us or at all and/or be able to complete all aspects of the acquisition process and/or receive relevant regulatory clearances (as applicable) in a timely manner or at all. The inability to identify suitable targets or investments and the inability to complete such transactions may adversely affect our competitiveness and growth prospects.

39. Our ability to pay dividends in the future will depend on restrictive covenants of our financing arrangements, our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements.

Any dividends to be declared and paid by us in the future are required to be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association, dividend policy and applicable laws, including the Companies Act, 2013. Under the Indian laws, dividends may be paid out of profits earned during the year or out of accumulated profits earned by a company in previous years and transferred by it to its reserves (subject to certain conditions). Any accumulated profits that are not distributed in a given year are retained and may be available for distribution in subsequent years. Our ability to pay dividends in the future will depend on our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements, business prospects and any other financing arrangements. For example, certain of our financing agreements may contain restricted payment covenants which may limit our ability to make payments in the nature of dividends or distributions to our equity holders. Dividends distributed by us may be subject to other requirements prescribed by the RBI, as the case may be. There is a risk that we may not generate sufficient revenues consistent with our past practices to cover our operating expenses and, as such, pay dividends to our shareholders in future.

40. We are subject to the United States Foreign Corrupt Practices Act and similar worldwide anti-bribery laws, which impose restrictions and may carry substantial penalties.

The United States Foreign Corrupt Practices Act (the "**FCPA**"), the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. These laws may require not only accurate books and records, but also sufficient controls, policies and processes to ensure business is conducted without the influence of bribery and corruption. Our policies mandate compliance with these anti-bribery laws, which often carry substantial penalties including fines, criminal prosecution and potential debarment from public procurement contracts. Failure to comply may also result in reputational damages. Given the high level of complexity of these laws, however, there is a risk that some provisions may be inadvertently breached, for example through fraudulent or negligent behaviour of individual employees, our failure to comply with certain formal documentation requirements or otherwise. Any violation of these laws or allegations of such violations, whether or not merited, could have a material adverse effect on our reputation and could cause the trading price of our ordinary shares to decline.

In addition, in many less-developed markets, we rely heavily on third-party distributors and other agents for the marketing and distribution of our products. Many of these third parties do not have internal compliance resources comparable to ours. Business activities in many of these markets have historically been vulnerable to corruption. If our efforts to screen third-party agents and detect cases of potential misconduct fail, we could be held responsible for the noncompliance of these third parties under applicable laws and regulations, including the FCPA, which may have a material adverse effect on our reputation and our business, financial condition or results of operations.

Finally, we operate in certain jurisdictions that have experienced governmental corruption to some degree or are found to be low on the Transparency International Corruption Perceptions Index and, in some circumstances, anti-bribery laws may conflict with some local customs and practices. As a result of our policy to comply with FCPA and similar anti-bribery laws, we may be at a competitive disadvantage to competitors that are not subject to, or do not comply with, such laws in jurisdictions that have experienced higher levels of bribery and corruption.

External Risk Factors

41. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form 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 the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

Our Company has opened a separate demat suspense escrow account and would credit Rights Entitlements on the basis of the Equity Shares: (a) which are held in the account of the Investor Education and Protection Fund ("**IEPF**") authority; or which of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed/ suspense escrow account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (b) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (c) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any; or (d) such other cases where our Company is unable to credit Rights Entitlements for any other reasons.

Our Company shall credit the Rights Entitlements to the demat suspense account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the demat suspense account, the Eligible Equity Shareholders are required to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense 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 the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner and such lapsing of Rights Entitlement may dilute and adversely impact the interest of certain Eligible Equity Shareholders. For details, please see "*Terms of the Issue*" on page 83.

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. Renouncees 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 Renouncees prior to the Issue Closing Date. For details, see "*Terms of the Issue*" on page 83.

43. A slowdown in economic growth in India could cause our business to suffer.

Our performance and business growth are necessarily dependent on the health of the overall Indian economy. Any slowdown or perceived slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading of India's sovereign debt rating, or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, financial condition, results of operations and prospects.

India's economy could be adversely affected by a general rise in interest rates or inflation, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves and exchange rate fluctuations may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, other factors which may adversely affect the Indian economy include: scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions and our expansion plans; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, such as the application of GST; political instability, terrorism or military conflict in India or in countries in the region or globally; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India or its financial services sectors.

44. Our business, results of operations and financial condition may be affected by global economic conditions and the geographies to which we cater.

Our business depends substantially on global economic conditions. Our international customers may be adversely impacted by economic downturns in their national or regional economies, disruption in their banking and financial systems, economic weakness, unfavourable government policies, rising inflation, reduced spending power and consumer confidence, and political uncertainty.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Asia, 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 of 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 could also have a negative impact on the

Indian economy. Financial disruptions may occur again and could harm our business, results of operations and financial condition.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition.

If we are unable to successfully anticipate and respond to changing economic and market conditions, our business, results of operations, financial condition and prospects may be adversely affected.

45. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements.

For instance, in order to rationalize and reform labour laws in India, the Government of India has introduced four labour codes which came into effect on November 21, 2025, namely (a) the Code on Wages, 2019; (b) the Code on Social Security, 2020; (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 which consolidate, subsume and replace numerous existing central labour legislations. While the Codes have been implemented at the central level, we are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future and increase our expenses. For instance, under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government) of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. In the absence of any precedents on the subject, the application of these provisions is uncertain and may or may not have an adverse tax impact on us.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

46. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increased inflation can contribute to an increase in interest rates and business costs, including wages and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business, results of operations, financial condition and cash flows. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our consumers. In such case, our business, results of operations, financial condition and cash flows may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

47. A downgrade in ratings of India and other jurisdictions we operate in may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India and other jurisdictions in which we operate by international rating agencies may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business, financial performance and the price of the Equity Shares.

48. Our business may be adversely affected by competition laws in India.

The Competition Act, 2002, as amended ("**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India ("**CCI**") to prevent such practices. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition ("**AAEC**") is considered void and results in the imposition of substantial monetary penalties. Furthermore, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government of India notified and brought into force the provisions under the Competition Act in relation to combinations (the "**Combination Regulation Provisions**") with effect from June 1, 2011. The Combination Regulation Provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations, which cross the prescribed asset and turnover based thresholds, be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the Combination Regulation Provisions under the Competition Act. The manner in which the Competition Act and the CCI affect the business environment in India may adversely affect our business, financial condition and results of operations.

The Competition (Amendment) Act, 2023 ("**Competition Amendment Act**") was notified on April 11, 2023, which amends the Competition Act and give the CCI additional powers to prevent practices that harm competition and the interests of consumers. The Competition Amendment Act, *inter alia*, modifies the scope of certain factors used to determine AAEC, reduces the overall time limit for the assessment of combinations by the CCI from 210 days to 150 days and empowers the CCI to impose penalties based on the global turnover of entities, for anti-competitive agreements and abuse of dominant position.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may have an adverse impact on our business, financial condition, results of operations and prospects.

49. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted, subject to certain restrictions detailed under the Foreign Exchange Management Act, 1999 read with the rules made thereunder, along with other relevant laws. Such restrictions include compliance with the sectoral investment thresholds, pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with *inter alia* the sectoral investment thresholds, the pricing guidelines or reporting requirements, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority.

Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in "pharmaceuticals" for greenfield investments, while up to 74% foreign investment under the automatic route is currently permitted in "pharmaceuticals" for brownfield investment. Further, foreign investment in brownfield pharmaceuticals, irrespective of entry route, is further subject to additional conditions in relation to the production level of NLEM drugs and research and development expenses. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all.

As provided in the foreign exchange laws currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. Further, due to possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

The Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of the Equity Shares will be paid in Indian Rupees and subsequently converted into appropriate foreign currency for repatriation. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares, may reduce the net dividends received by shareholders.

Further, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Non-debt Rules, all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of any such country, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. Further, on March 15, 2026, the DPIIT issued Press Note No. 2 (2026 Series), amending the foreign direct investment framework in relation to investments where beneficial ownership originates from countries sharing land borders with India. The amendments, inter alia, provide greater clarity on the determination of beneficial ownership and permit investments with non-controlling beneficial ownership of up to 10% from such jurisdictions under the automatic route, and introduce defined timelines for processing certain approval applications, and have been made effective from May 2, 2026, being the date of publication of the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026 in the official gazette. The interpretation and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

The regulatory framework governing foreign investment in India is also subject to ongoing changes. In this regard, the RBI has recently released the draft Foreign Exchange Management (Foreign Investment) Rules, 2026, which is proposed to supersede the FEMA Non-debt Instruments Rules, 2019 and, among other matters, provide a revised framework governing foreign investment in India. Any changes to, or uncertainties in the interpretation and implementation of, such regulatory framework may adversely affect our ability to raise foreign capital.

50. Investors may be subject to Indian taxes arising out of income arising on the sale of and dividend on the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Accordingly, we may be subject to payment of long term capital gains tax in India, in addition to payment of securities transaction tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller.

Under the Income Tax Act, 2025 that became effective from April 1, 2026, where short term capital gains arise from the transfer of equity shares in a company, the tax on such gains must be calculated at the rate of 20%, subject to applicable conditions and reliefs, including specified relief available to certain resident individuals and Hindu undivided families. Further, for long-term capital gains arising from the transfer of equity shares, tax must be calculated at the rate of 12.5% on such gains exceeding the prescribed threshold, subject to applicable conditions, exceptions and reliefs, including specified reliefs available to certain resident individuals and Hindu undivided families.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non -delivery basis is specified at 0.003% of the consideration amount. These amendments have come into effect from July 1, 2020.

Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

Although the new Income Tax Act, 2025 has come into effect, there is no certainty regarding the manner in which the new tax regime will operate in practice, including in relation to capital gains tax, dividend taxation, and withholding tax obligations. Any future amendment, clarification, regulatory guidance or judicial interpretation may adversely affect investors and could also impact our business, financial condition, results of operations and the market price of the Equity Shares.

51. No market for the Right Entitlements may develop and the price of the Right Entitlements may be volatile.

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the price of the Equity Shares, as described herein, may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements.

52. ***We may, at any time in the future, make further issuances or sales of our Equity Shares, and this may significantly dilute your future shareholding and affect the trading price of our Equity Shares.***

Any future equity issuances by us, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences for us including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception that such issuance or sales of shares may occur, may lead to dilution of your shareholding, significantly affect the trading price of our Equity Shares and our ability to raise capital through an issue of our securities. There can be no assurance that such future issuance by us will be at a price equal to or more than the Issue Price. Further, there can be no assurance that we will not issue further shares or that the major shareholders will not dispose of, pledge or otherwise encumber their shares.

53. ***Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operations or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of our Equity Shares will not decline below the Issue Price. To the extent the market price for our Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

54. ***We will not distribute the Letter of Offer, the Application Form and the Rights Entitlement Letter to certain categories of overseas shareholders.***

In the case that Eligible Equity Shareholders have provided their valid e-mail address our Company will send the Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Material**") only to their valid e-mail address and in the case that such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Other than as indicated above, the Issue materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions.

However, the Companies Act, 2013 requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of the Issue materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. We have requested all the overseas Eligible Equity Shareholders to provide an address in India and their e-mail addresses for the purposes of distribution of the Issue materials. However, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

55. ***Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.***

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be timely credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

56. ***Certain overseas shareholders may not be able to participate in our Company's proposed rights offerings or certain other equity issues.***

If our Company offers or causes to be offered to holders of its Equity Shares rights to subscribe for additional Equity Shares or any right of any other nature, our Company will have discretion as to the procedure to be followed in making such rights available to overseas holders of the Equity Shares or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders. For instance, our Company may not offer such rights to the holders of Equity Shares who have a registered address in the United States unless: (i) a registration statement is in effect, if a registration statement under the U.S. Securities Act is required in order for our Company to offer such rights to holders and sell the securities represented by such rights; or (ii) the offering and sale of such rights or the underlying securities to such holders are exempt from registration under the provisions of the U.S. Securities Act. Our Company has no obligation to prepare or file any registration statement. Accordingly, shareholders who have a registered address in the United States may be unable to participate in future rights offerings and may experience a dilution in their holdings as a result.

57. ***Holders of our 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, a company incorporated in India must offer holders of its 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 the Company. 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 our Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

58. ***SEBI operates an index-based market-wide circuit breaker. Any operation of a circuit breaker may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

We are subject to an index-based market-wide circuit breaker generally imposed by SEBI on Indian stock exchanges. This may be triggered by an extremely high degree of volatility in the market activity (among other things). Due to the existence of this circuit breaker, there can be no assurance that shareholders will be able to sell our Equity Shares at their preferred price or at all at any particular point in time.

59. ***Investors may have difficulty enforcing foreign judgments in India against us or our management.***

All of our Directors, Key Managerial Personnel and Senior Management Personnel are residents of India. As a result, it may not be possible for investors to effect service of process on us or such persons in jurisdictions outside India, or to enforce against them judgments obtained in courts outside India predicated upon civil liabilities under laws other than Indian Law.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom; however, no reciprocity has been established with the United States. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**CPC**"). Recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Generally, there are considerable delays in the disposal of suits by Indian courts.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

SECTION III: INTRODUCTION

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, the sections entitled "*Risk Factors*", "*Capital Structure*", "*Objects of the Issue*" and "*Financial Statements*" beginning on pages 14, 51, 53 and 74, respectively.

Summary of the business of the Company

We are a vertically integrated, research and development-focused pharmaceutical company engaged in developing, manufacturing and marketing finished dosage formulations ("**FDF**") and active pharmaceutical ingredients ("**API**"). Our Company was incorporated in 1981 and is headquartered in Hyderabad, Telangana. Our focus is primarily on niche therapeutic areas, complex molecules and products with high barriers to entry. We operate through two business segments: Pharmaceuticals and Crop Health Sciences (Agrochemicals). We market our products in over 50 countries globally, with the United States, India, Canada and Brazil constituting our key markets. As at March 31, 2026, we operate 9 manufacturing facilities and 2 R&D centres in India, employ over 5,200 people globally, and have one Indian Subsidiary, 12 international Subsidiaries and one international Associate. Our equity shares are listed on the National Stock Exchange of India Limited and BSE Limited.

In Fiscal 2026, our consolidated total income was ₹43,759 million, which includes ₹32,345 million from export formulations, ₹4,409 million from domestic formulations, ₹2,347 million from API and ₹1,382 million from crop health sciences ("**CHS**").

US Business

Our US business operates through a partnership-driven model, whereby we undertake product development and manufacturing while our partners handle patent litigation, sales and distribution. We have 45+ approved products in our US portfolio and 25+ products in our pipeline. We have made 28 Paragraph IV filings, including 20+ first-to-file ("**FTF**") applications, of which 17 have received tentative or final approval. We are gradually evolving from a partner to a player model for select molecules through our wholly owned US step down subsidiary, NATCO Pharma USA LLC.

Our key sole FTF opportunities include generic versions of Carfilzomib (Kyprolis®) for multiple myeloma, Ibrutinib (Imbruvica®) for leukaemia, Idelalisib (Zydelig®) for blood and bone marrow cancer, Olaparib (Lynparza®) for ovarian and breast cancer, Semaglutide (Ozempic®) for diabetes, Erdafitinib (Balversa®) for bladder cancer, Semaglutide (Wegovy®) for weight loss and Capmatinib (Tabrecta®) for lung cancer. Our broader Paragraph IV pipeline includes generic versions of Apixaban (Eliquis®), Pomalidomide (Pomalyst®), Acalabrutinib (Calquence®), Rimegepant (Nurtec®), Risdiplam (Evrysdi®) for spinal muscular atrophy, Trifluridine/Tipiracil (Lonsurf®), Trabectedin (Yondelis®) and Cabazitaxel (Jevtana®).

Canada and Brazil

We also operate in Canada and Brazil, both focused on limited-competition products. In Canada, we have 20+ products and a pipeline of 20+ products pending launch; we are among the top 10 generic companies by sales in Canada and have the highest market share for Lenalidomide and Oseltamivir. In Brazil, we continue to be a major contributor for Everolimus for the fourth consecutive year and have launched Carfilzomib, Eltrombopag and Apixaban.

Domestic Formulations

Our domestic business comprises Oncology, Pharma Specialties, Cardiology and Diabetology divisions. We have generated standalone revenue aggregating to ₹4,409 million from the domestic formulations segment in Fiscal 2026. We have over 20 years of presence in the Indian oncology market and are a market leader in branded oncology targeted therapy. Our oncology portfolio comprises over 40 brands covering haemato-oncology and solid tumours as of March 2026. Our Pharma Specialties division covers hepatology, gastroenterology, virology, rheumatology and critical care, and has increased its focus on critical care and infectious diseases beyond Hepatitis C and Hepatitis B through two separate divisions, Dynami and Hygeia. We plan to enter the luminal gastroenterology therapy area, including inflammatory bowel disease, and are actively pursuing therapies for non-alcoholic fatty liver disease (NAFLD). Our Cardiology division markets APIGAT (apixaban), DABIGAT (dabigatran), Rpigat (rivaroxaban) and TICAGAT (ticagrelor). APIGAT is close to achieving the number-two position in indicated prescriptions, supported by extensive market penetration, and we are working on novel therapy options for heart failure and hypertension. Our Diabetology division (NAT-REACH) offers vildagliptin, teneligliptin combinations and dapagliflozin and has fortified its portfolio by introducing new-age gliptins such as Sitagliptin, Linagliptin and Vildagliptin. We have launched a Semaglutide pen in multiple SKUs and the most affordable GLP-1 in the market in vial form and through a pen device. We engage over 1,500 diabetologists and physicians through educational programmes. In Fiscal 2026, we have over 900 sales professionals, supported by a network of 1,000+ distributors, and offer over 100 products across all divisions.

API Business

Our API business generated standalone revenue of ₹2,347 million in Fiscal 2026, representing approximately 5.4% of our total income of ₹43,759 million. We maintain a portfolio of 51 active US drug master files ("**DMFs**"). Our capabilities span multi-step synthesis, semi-synthetic fusion, high-potency APIs, peptides and oligonucleotides, with a focus on complex oncology molecules; other therapeutic areas of development include CNS, cardiology and diabetology. In-house key starting materials (KSMs) for several APIs are a key competitive advantage. Our API business develops APIs primarily for third-party sales and also for captive consumption in our FDF operations, supporting backward integration for cost efficiency and supply chain resilience. We also supply APIs to pharmaceutical companies overseas, including in the United States, Ireland, Canada, Europe and Brazil.

Crop Health Sciences

Our Crop Health Sciences division was initiated in 2019, leveraging our organic chemistry expertise. In Fiscal 2026, the division generated revenue of ₹1,382 million. Our portfolio includes pesticides, insecticides, fungicides, bio-stimulants and bioproducts marketed under brands such as Natgen, Glanz and Natcore. We successfully launched Cyantraniliprole (Cyanat)-based products in the first quarter of Fiscal 2026. We also launched Glanz (Tebuconazole + Trifloxystrobin), a fungicide that gained notable traction, and have pioneered a pheromone-based mating-disruption product for pink bollworm in cotton. The division maintains over 30 products, over 3,000 distributors and presence across 17 Indian states, and has over 500 sales and marketing team comprising direct and indirect personnel.

Research and Development

We operate two R&D facilities: the NATCO Research Centre (Sanathnagar, Hyderabad) and a centre at Kothur, Telangana, staffed by around 500 scientists, associates and other employees with capabilities across synthetic chemistry, nanopharmaceuticals, drug discovery, cell biology, molecular modelling and clinical research. We are building capabilities for oligopeptides. In Fiscal 2026, R&D expenditure was ₹4,086 million, representing 11.37% of our standalone revenue and 10.02% of our consolidated revenue for such Fiscal. We have made 329 international and 299 Indian patent filings, with a substantial granted portfolio. Our NCE pipeline includes NRC-2694-A, an orally administered small-molecule tyrosine kinase inhibitor for head and neck cancer in a Phase 2 clinical trial in the US and India; patient recruitment is in progress.

Manufacturing Facilities

We operate nine manufacturing facilities in India: five FDF facilities in Dehradun (Uttarakhand), Kothur (Telangana), Nagarjuna Sagar (Telangana), Visakhapatnam (Andhra Pradesh) and Guwahati (Assam); two API facilities in Mekaguda (Telangana) and Manali, Chennai (Tamil Nadu); and two CHS facilities at Atthivaram (Andhra Pradesh). Our facilities are approved by or certified under USFDA, WHO GMP/CDSCO, ANVISA (Brazil), Health Canada, PMDA (Japan), Korean FDA, COFEPRIS (Mexico), EU GMP, TGA (Australia) and ISO 14001:2015/ISO 45001:2018.

Financial Highlights

The Brief summary of the financials for three months periods ended June 30, 2026 and June 30, 2025, and for the financial years ended March 31, 2026, and March 31, 2025, derived from the Limited Review Financial Results for the three month periods and the Audited Consolidated Financial Statements for the financial years, respectively, of our Company is provided under section "*Summary of Financials*" on page 75.

Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement and intention to subscribe to their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).

Our Promoters have agreed and intend to subscribe to their Rights Entitlement in full or part and may renounce a portion of their Rights Entitlement in the event of a part subscription to their Rights Entitlement.

Members of our Promoter Group may subscribe to their Rights Entitlement or renounce any or all of their Rights Entitlement.

The renunciation mentioned above may also be made in favour of any specific investor(s) in accordance with the SEBI ICDR Regulations. In the event of a renunciation to any specific investor(s), name(s) of the specific investor(s), and other details, as required under the SEBI ICDR Regulations, shall be disclosed in a public advertisement two days prior to the Issue Opening Date.

While our Promoters along with members of our Promoter Group reserve the right to renounce their Rights Entitlement in accordance with applicable laws, in the event of any under-subscription in the Issue, our Promoters and members of our Promoter Group may also apply for additional Rights Equity Shares, to the extent permissible under applicable law, including the provisions of the Companies Act, 2013, the SEBI ICDR Regulations, the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and other applicable statutory and regulatory requirements. The acquisition of Rights Equity Shares by our Promoters and other members of our Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI Takeover Regulations, and the Issue shall not result in a change of control of the management of our Company in accordance with provisions of the SEBI Takeover Regulations. Our Company is in compliance with Regulation 38 of the SEBI LODR Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

In accordance with Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% shall be applicable to the Rights Issue. In the event the minimum subscription is not received, the Company shall refund the entire application monies received, in accordance with Regulation 86(2) of the SEBI ICDR Regulations, forthwith and in any case not later than four (4) days from the date of closure of the Rights Issue.

Intention to allot the under-subscribed portion of the Issue to any specific investor

The under-subscribed portion of the Issue may also be allotted to any specific investor(s) recognised by the Company. Name(s) of the specific investor(s), if any, shall be disclosed in a public advertisement two days prior to the Issue Opening Date.

Further, in case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved, our Board of Directors may dispose of such unsubscribed portion in the best interest of our Company and the Equity Shareholders and in compliance with the applicable laws.

Confirmation

Neither our Company, nor our Promoters or Directors are a Wilful Defaulter or a Fraudulent Borrower.

Summary of outstanding litigation and defaults

Our Company and our Subsidiaries are involved in outstanding legal proceedings which are pending at various levels of adjudication before various courts, tribunals and other authorities. These include legal proceedings in the nature of, criminal proceedings, civil proceedings, intellectual property rights and tax proceedings, filed by or against our Company and our Subsidiaries.

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer, in accordance with Paragraph (1)(V)(E) under Part B of Schedule VI of SEBI ICDR Regulations, is set forth in the table below:

Name of entity	Proceedings involving criminal liability	Proceedings before regulatory authorities involving material violations of statutory regulations	Matters involving economic offences where proceedings have been initiated	Other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position	Aggregate amount involved (₹ in million)
By our Company	Nil	N.A.	N.A.	14	Not quantifiable[(1)]
Against our Company	1	Nil	Nil	15	Not quantifiable[(2)]
By our Subsidiaries	Nil	N.A.	N.A.	Nil	Nil
Against our Subsidiaries	Nil	Nil	Nil	Nil	Nil

[(1)] *Includes matters relating to patent infringement, suits for declaration of non-infringement, revocation petitions and writ petitions, filed before various fora in India and Brazil. The aggregate amount involved in such matters is not quantifiable.*

[(2)] *Includes matters relating to patent infringement, suits arising from abbreviated new drug applications, antitrust, criminal revision petition and tax, filed before various fora in India, the United States of America and Canada. The aggregate amount involved in such matters is not quantifiable.*

THE ISSUE

The Issue has been authorized by way of resolution passed by our Board on September 9, 2026, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors on [●].

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section entitled "*Terms of the Issue*" beginning on page 83.

Rights Equity Shares being offered by our Company	Up to [●]* Rights Equity Shares
Rights Entitlement for the Rights Equity Shares	[●] Rights Equity Share for every [●] Equity Shares held on the Record Date
Record Date	[●], 2026
Face Value per Equity Share	₹2 each
Issue Price	₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share)
Dividend	Such dividend, as may be recommended by our Board and declared by our Shareholders, in accordance with applicable law
Issue Size	₹13,000* million
Equity Shares issued, subscribed, paid-up and outstanding prior to the Issue	179,109,870 Equity Shares. For details, see "*Capital Structure*" beginning on page 51
Equity Shares outstanding after the Issue	[●] Equity Shares
Security Codes for the Equity Shares	ISIN for Equity Shares: INE987B01026 BSE: 524816 NSE: NATCOPHARM
ISIN for Rights Entitlements	[●]
Terms of the Issue	For details, see "*Terms of the Issue*" beginning on page 83
Use of Issue Proceeds	For details, see "*Objects of the Issue*" beginning on page 53

**Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

For details in relation to fractional entitlements, see *"Terms of the Issue – Fractional Entitlements*" on page 102.

Terms of Payment

Due Date	Face Value (₹)	Premium (₹)	Total amount payable per Rights Equity Share (including premium) (₹)
On Application (i.e., along with the Application Form)	2	[●]	[●]

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GENERAL INFORMATION

Our Company was incorporated as a private limited company under the name "Natco Fine Pharmaceuticals Private Limited" under the Companies Act, 1956 and was granted a certificate of incorporation dated September 19, 1981 by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company became a deemed public company with effect from July 1, 1992, pursuant to our intimation to the Registrar of Companies, Andhra Pradesh at Hyderabad by letter dated May 29, 1992, and the word "Private" was deleted from the name of our Company. Subsequently, the name of our Company was changed to "NATCO Pharma Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad on February 18, 1993. Subsequently, our Company was converted into a public limited company and a fresh certificate of incorporation consequent upon conversion dated December 30, 1994, was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad.

Company Secretary and Compliance Officer

Chekuri Venkat Ramesh is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Chekuri Venkat Ramesh
'NATCO House'
Road No. 2, Banjara Hills
Hyderabad – 500 034
Telangana, India
Tel: +91 90307 20366
E-mail: venkatramesh.ch@natcopharma.co.in

Banker to the Issue

Kotak Mahindra Bank Limited
Intellion Square, 501, 5th Floor
A Wing, Infinity IT Park, Gen. A.K. Vaidya Marg
Malad – East, Mumbai – 400 097
Maharashtra, India
Tel: +91 22 6941 0636 / +91 22 6941 0754
E-mail: CMSIPO@kotak.com
Website: www.kotak.com
Contact Person: Sumit Panchal

Legal Counsel to our Company as to Indian Law

Khaitan & Co
Indiqube Symphony
3rd, 4th & 5th Floor, Tower 2
25, MG Road
Bengaluru – 560 001
Karnataka, India
Tel: +91 80 4339 7000

Statutory Auditors of our Company

B S R and Co, Chartered Accountants
Salarpuria Knowledge City, Orwell B Wing
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02
Raidurg, Hyderabad – 500 081
Telangana, India
Tel: +91 40 7182 2000
Firm Registration Number: 128510W
Partner: Amit Kumar Bajaj (Membership No. 218685)
E-mail: amitbajaj@bsraffiliates.com
Peer Review Certificate Number: 025524

Advisors to the Issue

Nuvama Wealth Management Limited
801-804, Wing A, Building No. 3
Inspire BKC, G Block, Bandra Kurla Complex
Bandra (East), Mumbai – 400 051
Maharashtra, India
Tel: +91 22 4009 4400
E-mail: project.npower@nuvama.com
Contact Person: Pari Vaya

ICICI Securities Limited
ICICI Venture House
Appasaheb Marathe Marg, Prabhadevi
Mumbai – 400 025
Maharashtra, India
Tel: +91 22 6807 7100
E-mail: natcopharma.rights@icicisecurities.com
Contact Person: Aboli Pitre

Registrar to the Issue

KFin Technologies Limited
301, The Centrium, 3rd Floor
57, Lal Bahadur Shastri Road
Nav Pada, Kurla (West)
Kurla, Mumbai – 400 070
Maharashtra, India
Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: natcopharma.rights@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna / Williams R
Website: www.kfintech.com
SEBI Registration No.: INR000000221

Investor Grievances

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB 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 of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see "*Terms of the Issue*" beginning on page 83.

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the Application Form, please refer to the above-mentioned link.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms from Bidders (other than UPI Bidders) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at https://www.bseindia.com/static/publicissues/rtadp and https://www.nseindia.com/static/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Collecting Depository Participants (CDP)

The list of the CDPs eligible to accept ASBA Forms from Bidders (other than UPI Bidders) at the Designated

CDP Locations, including details such as name and contact details, is provided on the websites of BSE at https://www.bseindia.com/static/publicissues/rtadp and on the website of NSE at https://www.nseindia.com/static/products-services/initial-public-offerings-asba-procedures, as updated from time to time.

Issue Schedule

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements #	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit of Rights Equity Shares (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 the Fund Raising Committee 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.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the 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 clear 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 at https://rights.kfintech.com/. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue – Process of making an Application in the Issue*" on page 85.

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 at https://rights.kfintech.com/ after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue – Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 98.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and the 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 Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the Issue.

Credit Rating

As the Issue is of Equity Shares, there is no credit rating required for the Issue.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Monitoring Agency

Our Company has appointed Crisil Ratings Limited to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Crisil Ratings Limited
Lightbridge IT Park
Saki Vihar Road
Andheri East, Mumbai – 400 072
Maharashtra, India
Tel: +91 22 3342 3000
Contact Person: Shounak Chakravarty
E-mail: crisilratingdesk@crisil.com
Website: www.crisilratings.com

Appraising Entity

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

Minimum Subscription

In accordance with Regulation 86(1) of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% shall be applicable to the Rights Issue. In the event the minimum subscription is not received, the Company shall refund the entire application monies received, in accordance with Regulation 86(2) of the SEBI ICDR Regulations, forthwith and in any case not later than four (4) days from the date of closure of the Rights Issue.

In case the Rights Issue remains unsubscribed and / or minimum subscription is not achieved; the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and the Equity Shareholders and in compliance with the applicable laws.

Underwriting

This Issue is not underwritten.

Filing

This Draft Letter of Offer has been filed with the Stock Exchanges for their approval. Once the in-principle approval from Stock Exchanges are received, the Letter of Offer shall be filed with the Stock Exchanges and with the SEBI for information and dissemination at its head office situated at:

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

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Letter of Offer and the details of the Rights Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue is as set forth below:

(In ₹, except otherwise specified)

	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price[1]
A	**AUTHORISED SHARE CAPITAL**		
	225,000,000 Equity Shares of face value ₹2 each	450,000,000	NA
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	179,109,870 Equity Shares of face value ₹2 each	358,219,740	NA
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER**		
	Up to [●] Rights Equity Shares of ₹2 each[2]	Up to [●]	Up to ₹13,000 million[3]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE[2][3]**		
	Issued share capital		
	[●] Equity Shares of ₹ 2 each	[●]	NA
	Subscribed and paid-up share capital		
	[●] fully paid-up Equity Shares	[●]	NA
	[●] Rights Equity Shares	Up to [●]	NA
SECURITIES PREMIUM ACCOUNT			
Before the Issue		₹12,019 million	
After the Issue [3]		[●]	

(1) *To be updated upon finalization of the Issue Price.*
(2) *The Issue has been authorised by our Board pursuant to a resolution dated September 9, 2026. The terms of the Issue including the Record Date and Rights Entitlement ratio have been approved by the Board pursuant to a resolution dated [●].*
(3) *Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.*

Notes to the Capital Structure

1. **Shareholding pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI LODR Regulations**

   a) The shareholding pattern of our Company as on June 30, 2026, can be accessed on the website of BSE at *https://www.bseindia.com/stock-share-price/natco-pharma-ltd/natcopharm/524816*; and NSE at *https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern*;

   b) The statement showing holding of Equity Shares of persons belonging to the category "Promoters and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2026, can be accessed on the website of BSE at *https://www.bseindia.com/stock-share-price/natco-pharma-ltd/natcopharm/524816*; and NSE at *https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern*; and

   c) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2026, can be accessed on the website of BSE at *https://www.bseindia.com/stock-share-price/natco-pharma-ltd/natcopharm/524816*; and on the website of NSE at *https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern*.

2. No Equity Shares or convertible securities have been acquired by our Promoters or members of our Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

3. Our Company does not have any employee stock option scheme as on the date of this Draft Letter of Offer.

4. The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

5. The Issue Price is [●] times the face value of the Equity Share.

6. Our Company shall ensure that any transaction in the specified securities by our Promoters and members of our Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.

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

8. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.

9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid-up. For further details on the terms of the Issue, please see "*Terms of the Issue*" on page 83.

10. Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of filing of this Draft Letter of Offer.

11. **Details of the Equity Shareholders holding more than 1% of the issued and paid-up share capital of our Company**

The table below sets forth details of Equity Shareholders holding more than 1% of the issued and paid-up share capital of our Company, as on June 30, 2026:

Sr. No	Name of the Equity Shareholders	Number of Equity Shares held	Percentage of Equity Shares held (%)
1.	Venkaiah Chowdary Nannapaneni	28,045,905	15.66
2.	Time Cap Pharma Labs Private Limited	17,175,420	9.59
3.	Venkata Satya Swathi Kantamani	15,933,340	8.90
4.	Natsoft Information Systems Pvt Ltd	15,784,900	8.81
5.	Belgrave Investment Fund	4,145,000	2.31
6.	Vistra ITCL India Limited A/c Neelima Nannapaneni Trust	4,082,750	2.28
7.	Life Insurance Corporation of India	4,009,317	2.24
8.	Durga Devi Nannapaneni	3,539,100	1.98
9.	Akash Bhanshali	1,800,788	1.01

OBJECTS OF THE ISSUE

The Issue comprises up to [●] Rights Equity Shares of face value ₹2 each, for cash at a price of ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹13,000 million. For details, see "*Summary of Draft Letter of Offer*" and "*Terms of the Issue*" on pages 42 and 83, respectively.

Our Company proposes to utilise the Net Proceeds from the Issue towards funding the following objects:

1. Pre-payment or repayment of all or a portion of certain outstanding borrowings availed by our Company;

2. Funding a portion of the expenditure towards research and development initiatives of our Company, including funding costs of employees in our research and development team; and

3. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes.

(collectively, referred to as the "**Objects**")

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

In addition, our Company expects to receive the benefits of the continued listing of the Rights Equity Shares on the Stock Exchanges.

Net Proceeds

The details of the proceeds from the Issue are summarised in the following table:

Particulars	Estimated amount (in ₹ million)
Gross Proceeds from the Issue(1)	13,000
(Less) Issue related expenses(2)	[●]
Net Proceeds(1)	[●]

(1) Assuming full subscription in the Issue and Allotment of the Rights Equity Shares. Subject to finalisation of Basis of Allotment.
(2) For details, see "– Estimated Issue Expenses" on page 62.

Utilisation of Net Proceeds

Our Company proposes to utilise the Net Proceeds in the manner set forth in the table below:

S. No.	Particulars	Estimated amount (in ₹ million)
1.	Pre-payment or repayment of all or a portion of certain outstanding borrowings availed by our Company	8,105
2.	Funding a portion of the expenditure towards research and development initiatives of our Company, including funding costs of employees in our research and development team	1,100
3.	Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes(1)	[●]
	Net Proceeds (1)	**[●]**

(1) Assuming full subscription in the Issue and Allotment of the Rights Equity Shares. Subject to finalisation of Basis of Allotment. The amount to be utilised for general corporate purposes and towards funding inorganic growth through unidentified acquisitions and other strategic initiatives shall together not exceed 35% of the Issue Proceeds, out of which the amount to be utilised towards either of general corporate purposes or funding inorganic growth through unidentified acquisitions and other strategic initiatives, shall not exceed 25% of the Issue Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

S. No.	Particulars	Total amount to be funded from Net Proceeds (1)	Estimated deployment of Net Proceeds in	
			Fiscal 2027	Fiscal 2028
1.	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company	8,105	8,105	-
2.	Funding a portion of the expenditure towards research and development initiatives of our Company, including funding costs of employees in our research and development team	1,100	700	400
3.	Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes(1)	[●]	[●]	[●]
	Net Proceeds (1)	**[●]**	**[●]**	**[●]**

(1) Assuming full subscription in the Issue and Allotment of the Rights Equity Shares. Subject to finalisation of Basis of Allotment. The amount to be utilised for general corporate purposes and towards funding inorganic growth through unidentified acquisitions and other strategic initiatives shall together not exceed 35% of the Issue Proceeds, out of which the amount to be utilised towards either of general corporate purposes or funding inorganic growth through unidentified acquisitions and other strategic initiatives, shall not exceed 25% of the Issue Proceeds.

The funding requirements, deployment of funds and the intended use of the Net Proceeds as described in this Draft Letter of Offer are based on our current business plan, management estimates, prevailing market conditions, current circumstances of our business and other commercial considerations, which are subject to change and may not be within the control of our management. However, such funding requirements and deployment of funds have not been appraised by any external agency or any bank or financial institution or any other independent agency. For further description of the risks involved in this regard, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control*" on page 31.

We may have to revise our funding requirements and deployment, as required, on account of internal factors such as our business and growth strategies and other external factors such as changes in the business environment, competition and interest rate fluctuations, costs and other charges, competitive and regulatory landscape and our ability to identify and consummate new business initiatives which may or may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws.

Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used towards other objects of the Issue, provided that the cumulative amount to be utilised for funding inorganic growth through unidentified acquisitions and general corporate purposes shall not exceed 35% of the Issue Proceeds, out of which the amount to be utilised towards either of general corporate purposes or funding inorganic growth through unidentified acquisitions and other strategic initiatives, shall not exceed 25% of the Issue Proceeds.

Further, in case of variation in the actual utilisation of funds earmarked for the purposes set forth above, increased funding requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue. To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in subsequent Fiscal towards the aforementioned Objects, in accordance with applicable laws.

Means of Finance

The entire fund requirements for our Objects are proposed to be funded from the Net Proceeds and internal accruals. Accordingly, we confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, in addition to the Net Proceeds, under Regulation 62(1)(c) of the SEBI ICDR Regulations. Subject to applicable law, in case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders.

Details of the Objects

1. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company

Our Company has entered into various financing arrangements from time to time with banks and non-banking financial companies. The financing arrangements entered into by our Company include, *inter alia*, a rupee term loan availed by way of a corporate loan, an overdraft facility against fixed deposits and a loan against a corporate deposit.

As at August 31, 2026, our total outstanding borrowings aggregated to ₹9,543 million on a consolidated basis, comprising both secured and unsecured, short term and long term, including current maturities of long-term borrowings.

We believe that the proposed pre-payment or repayment of these borrowings will help our Company reduce its outstanding indebtedness and debt servicing costs, assist us in maintaining a favourable debt-to-equity ratio, assist in improving certain of our key financial parameters, including our debt service coverage ratio, and enable utilisation of our internal accruals for further investment in the growth and expansion of our business. In addition, we believe that the resulting improvement in the strength of our balance sheet and our leverage capacity will enable us to raise further capital or financing in the future on competitive terms, to fund potential business development opportunities and our plans to grow and expand our business in the coming years.

Our Company proposes to pre-pay or repay, either in full or in part, any of the following borrowings, including any combination thereof, subject to the terms and conditions set out above. The following table provides the details of the borrowings availed by our Company as at August 31, 2026, which we propose to pre-pay or repay, either in full or in part, up to an amount aggregating to ₹8,105 million from the Net Proceeds:

Sr. No.	Name of the lender	Date of sanction / renewal letter	Date of disbursement	Nature of borrowing	Amount sanctioned *(₹ in million)*	Amount drawn down *(₹ in million)*	Amount outstanding as at August 31, 2026 *(₹ in million)*	Rate of interest (% per annum)	Repayment schedule and tenor	Pre-payment conditions / penalty
1.	State Bank of India	June 25, 2025	October 28, 2025	Rupee term loan (corporate loan)	6,000	4,000	3,000	One-month MCLR with nil spread, being an effective rate of 8.20% per annum, with monthly rests and monthly reset of spread	Door-to-door tenor of 18 months. Repayable in quarterly instalments.	Pre-closure charges are waived where the term loan is pre-paid after the expiry of six months from the date of first disbursement out of internal accruals or an infusion of equity. In the event of a takeover of the loan, a charge of 2.00% of the amount pre-paid is payable
2.	IndusInd Bank Limited	July 27, 2026	July 31, 2026 – ₹ 1,000 million and August 18, 2026 – ₹ 1,000 million	Overdraft against fixed deposits (fund based)	2,500	2,000	2,000	6.95% + 0.50% for ₹1,000 million and 6.99% + 0.50% for ₹1,000 million	Repayable on demand. Tenor of one year from the date of sanction or until the maturity of the underlying fixed deposit, whichever is earlier.	The lender is entitled to demand pre-payment upon the occurrence of a default under the facility or under any facility availed from any other bank or financial institution, or upon any material adverse change affecting our business or financial position
3.	Bajaj Finance Limited	July 6, 2026	July 9, 2026	Term loan against corporate deposit	3,105	3,105	3,105	7.75% per annum (fixed), computed on a written down value basis	Tenor of seven months and 13 days. Bullet repayment of principal together with interest on the date of maturity of the underlying corporate deposit.	Nil
Total					**11,605**	**9,105**	**8,105**			

There have been no instances of delays, defaults, and rescheduling/ restructuring of the aforementioned borrowings of our Company.

The selection of borrowings proposed to be prepaid or repaid out of the borrowings provided in the table above, shall be based on various factors including (i) any condition (including prepayment related conditions) attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements; (ii) other commercial considerations including, among others, the interest rate on the loans and/or facilities, the amount of the loan outstanding and the remaining tenor of the loan; (iii) terms and conditions of consents for prepayment from the respective lenders and waivers required, if any; (iv) levy of any prepayment penalties/premium and the quantum thereof and other related costs; (v) nature and/or repayment schedule of borrowings; and (vi) provisions of any laws, rules and regulations governing such borrowings. Pursuant to the terms of the borrowing arrangements, prepayment of certain indebtedness may attract prepayment charges as prescribed by the respective lender. Payment of additional interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the internal accruals or out of the Net Proceeds as may be decided by our Company.

Given the nature of the above-mentioned borrowings and the terms of repayment/pre-payment, the aggregate outstanding borrowing amounts which we propose to repay may vary from time to time. In light of the above, if at the time of filing this Draft Letter of Offer or after that date, any of the above-mentioned borrowings may be repaid in part or full or refinanced and our Company may also avail additional borrowings and/or draw down further funds under existing loans from time to time. In such cases or in case any of the above-mentioned borrowings are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn down prior to the completion of the Issue, we may utilize Net Proceeds towards prepayment and/or repayment of such additional indebtedness availed by us, details of which shall be provided in the Letter of Offer. However, the aggregate amount to be utilized from the Net Proceeds towards pre-payment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹8,105 million. Accordingly, the table above shall be suitably revised in the Letter of Offer to reflect the revised amounts or loans, as the case may be, which have been availed by our Company.

For the purposes of the Issue, our Company has obtained necessary consent from its lenders, as is respectively required under the relevant facility documentation for undertaking activities in relation to this Issue and for the deployment of the Net Proceeds towards the Objects.

2. Funding a portion of the expenditure towards research and development initiatives of our Company, including funding costs of employees in our research and development team

Our Company proposes to utilise an estimated amount of up to ₹1,100 million from the Net Proceeds towards funding expenditure on the research and development initiatives of our Company. The proposed deployment of the Net Proceeds towards this Object has been determined on the basis of the research and development expenditure historically incurred by our Company, our current areas of research focus and our outlook towards future research and development expenditure, each as described below.

We develop, manufacture and market finished dosage formulations and active pharmaceutical ingredients. Our research and development ("**R&D**") activities support the development of complex generic products, the filing of abbreviated new drug applications and drug master files in the jurisdictions in which we operate, the development of active pharmaceutical ingredients for third-party sale and for captive consumption in our finished dosage formulation operations, and the development of new chemical entities. Our R&D activities span synthetic chemistry, analytical sciences, formulation development, process engineering, novel drug delivery systems, technology transfer and new drug discovery.

Research and development facilities

Our Company operates two R&D facilities, being the NATCO Research Centre at Sanathnagar, Hyderabad, Telangana, and a research centre at Kothur, Telangana. Our R&D facilities have capabilities across synthetic chemistry, nanopharmaceuticals, drug discovery, cell biology, molecular modelling and clinical research. Our novel drug delivery systems division, located at the NATCO Research Centre, supports the development of liposomes, nanoparticles, microparticulate systems, controlled-release systems and long-acting injectables. As at March 31, 2026, around 500 scientists, associates and other employees were engaged in the research and development teams at the NATCO Research Centre and at our research centre at Kothur. During Fiscal 2026, we made investments in specialised technology platforms, scientific expertise and research infrastructure directed towards oligonucleotide synthesis, purification and analytical evaluation, and towards peptide development capabilities. For further details, please see "*Summary of Draft Letter of Offer – Summary of the business of the Company – Research and Development*" on page 43.

As of March 31, 2026, we had filed 299 patent applications in India, of which 116 have been granted, and 329 patent applications in other jurisdictions, of which 217 have been granted. We have 45+ approved abbreviated new drug applications with the U.S. Food and Drug Administration and 25+ products in our pipeline. We have also made 28 Paragraph IV applications, of which 17 have received tentative or final approval. We also maintained 51 active drug master files in the United States of America and 12 certificates of suitability to the monographs of the European pharmacopoeia ("**CEPs**") issued by the European Directorate for the Quality of Medicines and HealthCare.

Break-up of historical expenditure on research and development

The following table sets forth the break-up, by category, of the expenditure incurred by our Company towards R&D, on a standalone basis, in the Fiscals indicated:

(in ₹ million)

Category	Fiscal 2026	Fiscal 2025	Fiscal 2024
Capital equipment	192	498	313
Employee costs	648	645	585
Materials(1)	939	1,213	465
Utilities(2)	37	41	37
Bio-equivalence and clinical studies	429	447	801
Other R&D expenditure(3)	1,842	890	653
Total R&D expenditure	**4,086**	**3,733**	**2,854**
Standalone revenue	35,946	40,945	35,689
R&D expenditure as a percentage of standalone revenue (%)	***11.37***	***9.12***	***8.00***
Consolidated revenue	40,783	44,295	39,988
R&D expenditure as a percentage of consolidated revenue (%)	***10.02***	***8.43***	***7.14***

(1) Materials comprises raw materials, packing materials, stores and spares, materials consumed in validation batches and write-offs of R&D raw materials.
(2) Utilities comprises electricity, water, and generator fuel and maintenance.
(3) Other R&D expenditure comprises analysis charges, other R&D operating expenses, repairs and maintenance of buildings and machinery, staff welfare, provident fund administration expenses, printing and stationery, security charges and other miscellaneous expenses.

Current areas of research focus

The current areas of research focus for our Company comprise complex generics, specialty oncology products, high-potency active pharmaceutical ingredients, peptides, oligonucleotides, long-acting injectables, liposomal drug delivery systems and antibody drug conjugate-enabling technologies. Within generic research, our activities are directed towards process research, including the development of novel chemistry, novel routes of synthesis and polymorphs; cost-effective technology development, including technology indigenisation and import substitution; and the adoption of greener and safer technologies and reagents.

Our R&D efforts have supported the commercialisation of complex products, including pegylated liposomal doxorubicin, which is marketed in India, and have supported the development of Amphotericin-B liposomes, irinotecan liposomes, dual-drug liposomal systems and octreotide microspheres.

The following table sets forth details of certain key products launched by our Company in the United States:

Product	Description	Fiscal of launch
Lenalidomide capsules 2.5 mg and 20 mg	Immunomodulatory agent indicated for multiple myeloma	Fiscal 2024
Everolimus tablets 1 mg, 2.5 mg, 5 mg and 10 mg	Immunosuppressant indicated for organ transplantation	Fiscal 2024 to Fiscal 2026

Everolimus tablets for oral suspension	Immunosuppressant and oncology agent	Fiscal 2025
ABiraterone	Treating specific types of advanced prostate cancer	Fiscal 2025
Pomalidomide capsules	Immunomodulatory agent indicated for multiple myeloma	Fiscal 2026
Carfilzomib injection	Treatment of patients with relapsed multiple myeloma	Fiscal 2026
Eltrombopag tablets	Treatment of thrombocytopenia	Fiscal 2026

The product development pipeline for the United States market includes products in respect of which we have made or propose to make Paragraph IV filings and first-to-file applications, and includes specialty and oncology products such as semaglutide, apixaban, olaparib, pomalidomide and carfilzomib. Our new chemical entity pipeline includes NRC-2694-A, an orally administered small-molecule tyrosine kinase inhibitor discovered and developed by our Company for the treatment of recurrent or metastatic head and neck cancer in patients who have progressed on pembrolizumab.

We propose to apply the Net Proceeds allocated to this Object towards funding a portion of expenditure for the following areas of R&D activity over Fiscals 2027 and 2028:

(i) the development of complex generic products, and the associated process research covering novel chemistry, novel routes of synthesis, polymorph development, technology indigenisation and import substitution;
(ii) the development of formulations employing our novel drug delivery systems platforms, including liposomes, nanoparticles, microparticulate systems, controlled-release systems and long-acting injectables, supported by our spray drying, hot melt extrusion, precision coating, melt encapsulation, high-pressure homogenisation, liposomal extrusion, lyophilisation and microsphere manufacturing capabilities;
(iii) the development of peptide and oligonucleotide products, including the building of our capabilities in relation to oligopeptides, supported by solid-phase and solution-phase synthesis, purification platforms and molecular characterisation;
(iv) the development of high-potency active pharmaceutical ingredients and specialty oncology products, and the development of active pharmaceutical ingredients for third-party sale and for captive consumption in our finished dosage formulation operations;
(v) raw material and laboratory expenses for R&D;
(vi) exhibit and validation batches for R&D;
(vii) the conduct of bio-equivalence and clinical studies, and the preparation and filing of abbreviated new drug applications, drug master files and other regulatory dossiers in the jurisdictions in which we operate;
(viii) the progression of our new chemical entity programme, including the Phase 2 clinical trials; and
(ix) funding employee costs for the R&D teams.

Our Company has estimated that an amount of ₹1,100 million shall be utilized out of the Net Proceeds for expenditure on our R&D initiatives over Fiscals 2027 and 2028. The proposed schedule of deployment of such amount is set forth below:

(in ₹ million)

Category	Fiscal 2027	Fiscal 2028	Total
Investment in research and development	700	400	1,100

The proposed deployment set out above is based on the R&D expenditure historically incurred by our Company as set out above, our current areas of research focus and our outlook towards future R&D expenditure. The expenditure historically incurred by our Company on R&D may not be fully reflective of the expenditure required to be incurred by our Company on the areas of R&D activity set out above, on account of the nature and stage of the development programmes concerned, the technologies and therapeutic areas to which they relate and the regulatory pathways applicable to them. The balance funds required towards our R&D expenditure will be funded out of our internal accruals.

Our expenditure on R&D is subject to a number of internal and external factors, including our business requirements from time to time, the outcome of our development programmes, the timelines for regulatory filings and approvals, the availability of qualified scientific and technical personnel, and developments in the therapeutic areas and technologies in which we operate. Accordingly, the actual expenditure incurred, the categories in which it is incurred and the Fiscals in which it is incurred may vary from the deployment set out above. To the extent that the Net Proceeds are not deployed, in whole or in part, against this Object in the Fiscals set out above, such amounts may be deployed in subsequent Fiscals, in accordance with applicable law. For risks in relation to our R&D activities, see "*Risk Factors – We expend a significant amount of resources on research and development, and if our research and development efforts do not succeed, or do not lead to successful product introductions, it could adversely affect our business, prospects and results of operations*" and "*Risk Factors – Our business depends on our ability to attract, develop and retain qualified scientists, technical personnel, regulatory professionals, and other skilled employees. Our inability to retain key personnel or recruit suitably qualified employees may adversely affect our research and development activities, regulatory approvals, manufacturing operations and growth*" on pages 21 and 25, respectively.

Further, we do not require any further approvals from any governmental authority in relation to this Object at this stage, and we will apply for all such approvals as may be required at the relevant stages. In the event of any delay in the receipt of such approvals, the proposed schedule of deployment of the Net Proceeds towards this Object may be extended or may vary accordingly.

3. Funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes

We propose to utilize ₹[●] million of the Net Proceeds towards funding inorganic growth through unidentified acquisitions and other strategic initiatives and general corporate purposes, in a manner as approved by our Board from time to time, subject to such amount proposed to be utilised for (a) funding inorganic growth through unidentified acquisitions and other strategic initiatives; and (b) general corporate purposes, together not exceeding 35% of the Issue Proceeds, in compliance with the SEBI ICDR Regulations, out of which the amount to be utilised towards either of (a) general corporate purposes or (b) funding inorganic growth through unidentified acquisitions and other strategic initiatives, shall not exceed 25% of the Issue Proceeds.

(a) Funding inorganic growth through unidentified acquisitions and other strategic initiatives

In addition to growing our business organically, our Company has in the past undertaken acquisitions and we shall continue to evaluate acquisition opportunities in the future in pursuance of our strategic business objectives and growth strategies. The table below summarizes the key acquisitions that we have undertaken in the past, as on the date of this Draft Letter of Offer:

Name of entity	Description of acquisition	Country of incorporation	Amount involved (in ₹ million)	Financial year of acquisition	Acquisition rationale
Adcock Ingram Holdings Proprietary Limited	Acquisition of 49% shareholding	South Africa	ZAR 5,702 billion (equivalent to ₹ 30,561 million)(1)	2026-2027	Strategic investment with an objective of expanding geographical footprint in South Africa
Dash Pharmaceuticals LLC (now known as NATCO Pharma USA LLC)	Acquisition of 100% stake	United States of America	USD 18 million (equivalent to ₹ 1,337 million)(2)	2021-2022	To have a direct front-end marketing footprint in the United States of America

(1) *Based on the prevailing ZAR to INR exchange rate of ₹5.36 per ZAR.*
(2) *Based on the prevailing USD to INR exchange rate of ₹74.30 per USD.*

Potential acquisitions and/or investments will be evaluated based on the broad framework and indicative selective criteria which includes the following:

- Established front-end presence: Brand recognition and an established, direct-to-market commercial infrastructure of the target entity within its resident country;
- Access to high-barrier emerging markets: Entry into major, stable emerging markets characterized by complex local regulatory frameworks that naturally limit low-cost competition;
- Value chain transformation: Enable our Company to gain access as a front-end generic marketer and distributor;
- Strategic and portfolio alignment: Target entity must deliver clear synergies regarding geographic expansion, product pipelines, and therapeutic focus areas;

- Complementary product offerings: Robust portfolio of the target entity comprising of branded or unbranded products or generic formulations that seamlessly complement and extend our Company's existing product lines and
- Frontier biotech optionality: Screening of the target entity may include early-stage, high-potential biotechnology firms for minority stakes to secure next-generation scientific capabilities.

However, these above-mentioned criteria are indicative in nature and are not the sole criteria for identification of a potential acquisition target, and our Company may decide to acquire any potential company or undertaking, basis the criteria that they deem fit.

Our acquisition strategy is primarily driven by our Board and the typical framework and process that would be followed by us for acquisitions will involve identifying the strategic acquisitions based on the rationale set out above, entering into requisite non-disclosure agreements and conducting diligence of the target. On satisfactory conclusion of the diligence exercise, we will enter into definitive agreements to acquire the target based on the approval of our Board and the shareholders, if required. As on the date of this Draft Letter of Offer, we have not entered into any definitive agreements towards any future acquisitions or strategic initiatives for the object set out above.

We will evaluate inorganic growth opportunities, keeping in line with our strategy to grow and develop our market share or to add new product and service offerings. We may consider opportunities for inorganic growth, such as through mergers and acquisitions, to acquire new centres, expanding into new geographies, consolidate our market position in our existing lines of business, add new product and service offerings, achieve operating leverage in key markets by unlocking potential efficiency and synergy benefits, and enhance our depth of experience, knowledge-base and know-how.

Deployment of funds depends on acquisition timing, size, and overall financial condition. We may invest directly or through subsidiaries via equity, debt, or other instruments, and deals could involve transfer of assets or technology, or creation of joint ventures. Our management may pursue acquisition of minority stakes or majority control, or creation of joint ventures, to foster inorganic growth. Issue Proceeds allocated for acquisitions may not cover the aggregate value of such an acquisition but is expected to provide sufficient financial leverage. In the event that there is a shortfall of funds required for such acquisitions, such shortfall shall be met out of the portion of the Net Proceeds allocated for general corporate purposes and/or through our internal accruals or debt financing or any combination thereof. See "*Risk Factors – We propose to utilise a portion of the Issue Proceeds to undertake inorganic growth and acquisitions for which the target may not be identified. Any risk in completing such transaction may adversely affect our competitiveness and growth projects*" on page 31.

(b) General Corporate Purposes

We propose to utilise up to ₹[●] million of the Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by the Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Issue Proceeds, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, (i) meeting ongoing general corporate expenses, contingencies and exigencies and business requirements of our Company; (ii) expenses incurred by us in the ordinary course of business; (iii) employee and other personnel-expenses incurred by us; (iv) brand building and other marketing expenses; (v) capital expenditure and working capital requirements; (vi) advertisement, marketing and sales promotion, and IT upgradation, or (vii) any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act. In the event our Company is unable to utilise the Net Proceeds towards any of the Objects of the Issue for any of the reasons as aforementioned, our Company may utilise such Net Proceeds towards general corporate purposes, provided that the aggregate amount deployed towards general corporate purposes shall not exceed 25% of the Issue Proceeds.

The quantum of utilisation of funds towards each of the above purposes will be determined by our management from time to time, subject to compliance with applicable law and based on the amount available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any. In the event that we are unable to utilise the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilise such unutilised amount(s) in the subsequent Fiscals. Further, the proposed inorganic acquisitions shall be undertaken in accordance with the applicable laws, including the Companies Act, FEMA and the regulations notified thereunder, as the case may be.

Estimated Issue Expenses

The estimated Issue expenses are as set forth below:

Particulars	Estimated expenses* (in ₹ million)	As a % of the total estimated Issue expenses	As a % of the total Issue size#
Fees of the intermediaries and advisors (including advisors to the Issue, Banker to the Issue, Registrar to the Issue, Auditors, legal advisors, Monitoring Agency, Chartered Engineer, and other professional service providers, including out of pocket expenses)	[●]	[●]	[●]
Expenses relating to advertising, marketing, printing and distribution of issue stationery, etc.	[●]	[●]	[●]
Fees payable to regulators, including, depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Other expenses (including miscellaneous expenses)	[●]	[●]	[●]
Total estimated Issue expenses*^	[●]	[●]	[●]

** Amount will be finalized at the time of filing of the Letter of Offer and determination of the Issue Price. Subject to finalisation of Basis of Allotment and Allotment of the Rights Equity Shares. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Issue Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.*
^ Excluding taxes.
 # Assuming full subscription in the Issue.

Interim use of the Net Proceeds

Pending utilization for the purposes described above, our Company shall deposit the Net Proceeds only with one or more scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended.

Bridge financing facilities

Our Company has not raised any bridge loans from any banks or financial institutions, as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

Our Company has appointed Crisil Ratings Limited as the Monitoring Agency for the Issue for monitoring the utilization of the Gross Proceeds from the Issue, including the proceeds proposed to be utilised towards general corporate purposes. Our Company undertakes to place the Gross Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Gross Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Board of Directors without any delay, till 100% of the Gross Proceeds have been utilized. Our Company will disclose the utilization of the Gross Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate instances, if any, of unutilized Gross Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds, which shall discuss, monitor and approve the use of the Gross Proceeds along with our Board. Further, pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and the Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds have been utilised in full. The statement shall be certified by a peer reviewed chartered accountant appointed by our Company, which shall be submitted by our Company with the Monitoring Agency.

Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects as stated above; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects as stated above. This information will also be published on our website and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Strategic or financial partners

There are no strategic or financial partners to the Company for the proposed Objects of the Issue.

Appraising Entity

None of the Objects for which the Net Proceeds will be utilised have been appraised by any agency, including any bank or financial institution.

Other confirmations

No part of the proceeds of the Issue will be paid by our Company to our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel or members of Senior Management.

Our Promoters, members of the Promoter Group and Directors do not have any interest in the Objects of the Issue and there are no material existing or anticipated transactions in relation to utilisation of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Key Managerial Personnel, members of the Senior Management, Subsidiaries or Associates.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors
NATCO Pharma Limited
NATCO House
Banjara Hills
Hyderabad – 500034
Telangana, India

Statement of possible special tax benefits ("the Statement") available to NATCO Pharma Limited ("the Company") and its shareholders, prepared to company with the requirement under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations")

This report is issued in accordance with the Engagement Letter dated 2 September 2026.

We hereby report that the enclosed Annexure I prepared by the Company, initialed by us for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together the "**Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure II (List of Direct and Indirect Tax Laws ('Tax Laws')) prepared by the Company, initialed by us for identification purpose. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure I cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure I and its contents is the responsibility of the management of the Company. We were informed that the 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 proposed offer of equity shares of the Company (the "**Proposed Offer**") particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

i) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

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

Our views expressed herein are based on the facts and assumptions indicated to us. 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 the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this report, except as per applicable law.

We hereby give consent to include this report in the Draft Letter of Offer and Letter of Offer and in any other material used in connection with the Proposed Offer, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Praveen K Jallan & Co.**
Chartered Accountants
Firm's Registration No.: 018382S

Praveen Kumar Jallan
Partner
Membership No. 218700

Place: Hyderabad
Date: September 9, 2026
UDIN: 26218700ALSPSI7339

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NATCO PHARMA LIMITED ("THE COMPANY") and ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws prepared to comply with the requirement under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE INCOME TAX LAWS

A. Possible Special tax benefits available to the Company under the Income-tax Act, 2025 ('ITA, 2025') as amended by Finance Act, 2026 and to the extent applicable the Income-Tax Act, 1961 ('ITA,1961') read with the Income-tax Rules, 2026 and to the extent applicable the Income-tax Rules, 1962; read with applicable circulars and notifications thereunder; (together referred to as, "Direct Tax Laws")

- As applicable for Tax Year 2026-27 onwards.

1. Concessional corporate tax rates on income of domestic companies under section 200 of the ITA, 2025 (erstwhile section 115BAA of the Income Tax Act, 1961 ('the ITA, 1961')

The Income tax Act, 2025 continues the optional concessional tax regime for domestic companies through section 200 of the ITA, 2025 (erstwhile section 115BAA of the ITA,1961), wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfilment of certain conditions.

The option was originally introduced by the Taxation Laws (Amendment) Act, 2019 that introduced section 115BAA of the ITA, 1961, wherein domestic companies are entitled to avail a concessional tax rate of 22% (plus applicable surcharge and cess) on fulfillment of certain conditions. The option to apply this tax rate was available from Financial Year ('FY') 2019-20 relevant to Assessment Year('AY') 2020-21 and the option once exercised shall apply to subsequent assessment years. The concessional rate of 22% is subject to the company not availing deduction specified under section 200 of the ITA 2025.

The total income of a company availing the concessional rate of 25.168% (i.e., 22% along with surcharge and health and education cess) is required to be computed without set-off of any carried forward loss and depreciation attributable to any of the deductions/incentives provided in the section 200 of the ITA, 2025. A company can exercise the option to apply for the concessional tax rate in its return of income filed under section 263(1) of the ITA, 2025 (erstwhile section 139(1) of the ITA, 1961).

Further, provisions of Minimum Alternate Tax('MAT') under section 206 of the ITA, 2025 (erstwhile section 115JB of the ITA, 1961) shall not be applicable to companies availing this reduced tax rate. The Company will be eligible to carry forward and set-off the accumulated MAT credit in the old regime upto 25% of the normal tax computed under new regime every year for fifteen tax years beginning from tax year 2026-27. The provisions do not specify any limitation/condition on account of turnover, nature of business or date of incorporation for opting for the concessional tax rate. Accordingly, all existing as well as new domestic companies are eligible to avail this concessional rate of tax.

Effective from tax year 2026-27, the Company has already opted the lower rate benefit as mentioned in the Section 200 of the ITA, 2025 (erstwhile section 115BAA of the ITA, 1961).

2. Deductions in respect of employment of new employees – Section 146 of the ITA, 2025 (erstwhile Section 80JJAA of the ITA, 1961).

As per section 146 of the ITA, 2025, where a company is subject to tax audit under section 63 of the ITA, 2025 (erstwhile section 44AB of the ITA, 1961) and derives income from business, it shall be allowed to claim a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in a tax year, for three consecutive assessment years including the assessment year relevant to the tax year in which such additional employment cost is incurred upon the fulfilment of the conditions prescribed in the ITA, 2025.

3. Deduction with respect to inter-corporate dividends – Section 148 of the ITA, 2025 (erstwhile Section 80M of the ITA, 1961)

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution Tax ("DDT"), and the recipient shareholder was exempt from tax. Pursuant to the amendment made by the Finance Act, 2020, DDT stands abolished, and dividend received by a shareholder on or after 1st April 2020 is liable to tax in the hands of the shareholder, other than dividend on which tax under the erstwhile section 115-O of the ITA, 1961 had been paid. The company is required to deduct Tax at Source ("TDS") at applicable rate specified under the Direct Tax Laws read with applicable Double Taxation Avoidance Agreement (if any).

With respect to a shareholder which is a domestic company as defined in section 2(42) of the ITA, 2025 (erstwhile section 2(22A) of the ITA,1961), section 148 of the ITA, 2025 (section 80M of the erstwhile ITA, 1961) had been inserted to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 263 of the ITA, 2025 (erstwhile sub-section (1) of section 139 of the ITA, 1961).

B. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

- Dividend income earned by the shareholders would be taxable in their hands at their applicable rates. The Company would be required to deduct tax at source on the dividend paid to the shareholders, at applicable rates based in the provisions of the ITA, 2025. In case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend. The shareholders would be eligible to claim the credit of such tax in their return of income.

- With respect to a domestic corporate shareholder, deduction shall be available under section 148 of the ITA, 2025 (erstwhile section 80M of ITA, 1961) on fulfilling the conditions.

- As per Section 198 of the ITA, 2025 (erstwhile section 112A of the ITA, 1961), long-term capital gains arising from transfer of an equity share shall be taxed at 12.5% plus applicable surcharge (which is limited to 15%) and cess (without the benefit of indexation) for any transfer which takes place on or after the 23 July 2024 subject to fulfilment of prescribed conditions under Direct Tax Laws. It is worthwhile to note that tax shall be payable on such long-term capital gains exceeding INR 1,25,000 in a financial year.

- As per Section 196 of the ITA, 2025, (erstwhile section 111A of the ITA, 1961), short term capital gains arising from transfer of a listed equity share, shall be taxed at 20% plus applicable surcharge (which is limited to 15%) and cess subject to fulfilment of prescribed conditions under Direct Tax Laws.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be as per the provisions of the ITA, 2025 and it is further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile and subject to entitlement to such treaty benefit and on furnishing of any prescribed document as may be required. Further, the non-resident shareholders may be eligible to claim the foreign tax credit, based on the provisions of the tax laws of the country of which the shareholder is the resident.

TAX BENEFITS UNDER INDIRECT TAX LAWS

A. Possible Special tax benefits available to the Company

(i) The Company is availing the benefit of Remission of Duties and Taxes on Exported Products

("**RoDTEP**") as per Chapter 4 of Foreign Trade Policy (FTP) 2023. As per Para 4.54 of FTP 2023, the objective of the scheme is to refund various duties and taxes incurred on the exports of goods in the form of transferable duty credit/electronic scrips which will be maintained in an electronic ledger by CBIC.

(ii) All Industry Rate (AIR) of Duty Drawback for an export product is an average rate, based on the average quantity and value of material and average duties of Customs and Central Excise borne by each class of material, from which export goods are ordinarily manufactured. AIRs are normally reviewed annually on the Drawback Committee's recommendation. The grant of duty drawback based on the shipping bill declaration, without requiring additional documentation. It involves end-to-end electronic processing of Duty Drawback and Disbursal of Duty Drawback directly to exporters' account. There is no need for producing separate documentary evidence regarding realisation of exports.

Notification No. 77/2023-Customs (N.T.) dated 20-10-2023 was issued to determine the rate of drawback in accordance with the items specified in the Schedule, subject to conditions specified therein.

(iii) The Company has a SEZ unit located in Vizag Special Economic Zone, Vizag, India. The SEZ unit is availing the following benefits:

- The custom duty leviable on Import of goods by an SEZ unit for its authorised operations is exempt under section 26 of the Customs Act.
- IGST leviable on import of goods and import of services are exempt under Customs Tariff Act, 1975 as per the Notification No. 64/2017 & Notification No. 18/2017-Integrated Tax (Rate) dated 05-07-2017 respectively.
- SEZ unit can procure goods and services without payment of GST from the DTA units subject to SEZ rules.
- Exports made by SEZ unit shall be treated as zero rated supply in accordance with Section 16(1) of the IGST Act, 2017. Hence, SEZ units can claim refund of unutilized ITC for such exports or pay IGST on exports and claim refund of such tax paid.

B. Possible Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders of the Company under the Indirect Tax Laws.

NOTES:

1. The above is as per the current Tax Laws in force in India.

2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.

3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **NATCO Pharma Limited**

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: September 9, 2026

ANNEXURE II

LIST OF DIRECT AND INDIRECT TAX LAWS (“TAX LAWS’)

S. No.	Details of Tax Laws
1.	Income-tax Act, 2025 (‘ITA, 2025’) as amended by Finance Act, 2026 and to the extent applicable the Income-Tax Act, 1961 (‘ITA,1961’) read with the Income-tax Rules, 2026 and to the extent applicable the Income-tax Rules, 1962; read with applicable circulars and notifications thereunder; (‘Direct Tax Laws’)
2.	Central Goods and Services Tax Act, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	State Goods and Services Tax Act, 2017 of respective states in India
5.	Union Territory Goods and Services Tax Act, 2017
6.	Customs Act, 1962 and Customs Tariff Act, 1975 read with respective rules, circulars and notifications made thereunder
7.	Foreign Trade Policy 2023 read with Handbook of Procedures

For **NATCO Pharma Limited**

Amit Parekh
Chief Financial Officer

Place: Hyderabad
Date: September 9, 2026

SECTION IV: ABOUT OUR COMPANY

OUR MANAGEMENT

Board of Directors

The composition of our Board is governed and is in conformity with the provisions of the Companies Act, 2013, the rules prescribed thereunder, the Listing Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by special resolution, our Company shall not have fewer than three Directors or more than fifteen Directors.

As on the date of this Draft Letter of Offer, our Company has nine Directors, comprising four Executive Directors and five Non-Executive Independent Directors, including one woman Independent Director. The Chairman is an Executive Director.

The following table provides details regarding our Board as of the date of filing this Draft Letter of Offer:

Name, Address, Designation, Occupation, Date of expiration of current term, DIN and Date of Birth	Age (in years)
Name: Venkaiah Chowdary Nannapaneni ***Address:*** 8-2-293/82/A/530, Road No. 26, Jubilee Hills, Hyderabad - 500033, Telangana, India ***Designation:*** Chairman and Managing Director ***Occupation:*** Business ***Date of expiration of current term:*** March 31, 2027 ***DIN:*** 00183315 ***Date of Birth:*** November 30, 1945	80
Name: Rajeev Nannapaneni ***Address:*** Plot No. 529, Road No. 26, Jubilee Hills, Hyderabad - 500033, Telangana, India ***Designation:*** Vice Chairman and Chief Executive Officer ***Occupation:*** Business ***Date of expiration of current term:*** March 31, 2027 ***DIN:*** 00183872 ***Date of Birth:*** June 22, 1977	49
Name: Potluri Sivaramakrishna Prasad ***Address:*** 8-1-405/A/12, O.U. Colony, Dream Valley, Shaikpet, Golconda, Hyderabad - 500008, Telangana, India ***Designation:*** Director and Executive Vice President (Corporate Engineering Services) ***Occupation:*** Employment ***Date of expiration of current term:*** March 31, 2027 ***DIN:*** 07011140 ***Date of Birth:*** January 15, 1958	68
Name: Linga Rao Donthineni ***Address:*** Flat No. 207, Mount Meru Apartments, Road No. 5, Banjara Hills, Hyderabad - 500034, Telangana, India ***Designation:*** Director and President (Technical Affairs)	73

Name, Address, Designation, Occupation, Date of expiration of current term, DIN and Date of Birth	Age (in years)
Occupation: Employment ***Date of expiration of current term:*** March 31, 2027 ***DIN:*** 07088404 ***Date of Birth:*** October 29, 1952	
Name: Agnihotra Dakshina Murty Chavali ***Address:*** 1708, Pegasus, B Wing, Meenakshi Sky Lounge, Hitex Road, Kondapur, Serilingampally, Rangareddy - 500084, Telangana, India ***Designation:*** Non-Executive (Independent) Director ***Occupation:*** Retired bank executive ***Date of expiration of current term:*** March 31, 2029 ***DIN:*** 00374673 ***Date of Birth:*** October 9, 1954	71
Name: Dronadula Vijaya Bhaskar ***Address:*** 5-7-1/31, Harihara Puram Colony, Vanasthalipuram, Hyderabad - 500070, Telangana India ***Designation:*** Non-Executive (Independent) Director ***Occupation:*** Professional ***Date of expiration of current term:*** March 31, 2029 ***DIN:*** 07158951 ***Date of Birth:*** August 9, 1959	67
Name: Bolisetty Lakshminarayana ***Address:*** Flat No. 103, H. No. 1-2-412/19, Gharonda Sesha Mandir, Gagan Mahal Colony, Domalguda, Hyderabad - 500029, Telangana India ***Designation:*** Non-Executive (Independent) Director ***Occupation:*** Retired bank executive ***Date of expiration of current term:*** August 11, 2029 ***DIN:*** 02766709 ***Date of Birth:*** June 6, 1952	74
Name: Nitin Jain ***Address:*** A-501, Sadanand Classic, 33rd Road, Off Linking Road, Khar (West), Mumbai - 400052, Maharashtra, India ***Designation:*** Non-Executive (Independent) Director ***Occupation:*** Investment banker ***Date of expiration of current term:*** August 11, 2029 ***DIN:*** 00136245 ***Date of Birth:*** June 20, 1965	61
Name: Kantipudi Suma ***Address:*** H. No. 8-2-293/82/DKN/18, Bharani Layout, Road No. 78, Film Nagar Club, Jubilee Hills,	61

Name, Address, Designation, Occupation, Date of expiration of current term, DIN and Date of Birth	Age (in years)
Hyderabad - 500033, Telangana, India ***Designation:*** Non-Executive (Independent) Director ***Occupation:*** Gynaecologist and infertility specialist ***Date of expiration of current term:*** August 11, 2029 ***DIN:*** 02734369 ***Date of Birth:*** March 5, 1965	

Key Managerial Personnel and Members of the Senior Management

In addition to Venkaiah Chowdary Nannapaneni, our Chairman and Managing Director, and Rajeev Nannapaneni, our Vice Chairman and Chief Executive Officer, whose details are provided in "– *Board of Directors*" on page 70, the details of our other Key Managerial Personnel and the members of our Senior Management in terms of the SEBI ICDR Regulations, as on the date of this Draft Letter of Offer, are set forth below:

S. No.	Particulars	Designation
Key Managerial Personnel		
1.	Amit Parekh	Chief Financial Officer
2.	Chekuri Venkat Ramesh	Company Secretary and Compliance Officer
Members of the Senior Management (excluding Key Managerial Personnel)		
1.	Nannapaneni Sadasiva Rao	Executive Vice President – Corporate Affairs, Legal, Secretarial and Estate Management
2.	Rajesh Chebiyam	Executive Vice President – Crop Health Sciences
3.	Kalakuntla Srinivas Rao	Executive Vice President – Pharma Division
4.	Lakshminarayana A	Senior Vice President – Human Resources and Organisational Development
5.	Sunil Kotaru	Senior Vice President – Supply Chain Management
6.	Suryanarayana Reddy Matli	Senior Vice President – Quality Assurance
7.	Imtiyaz Basade	Senior Vice President – Regulatory Affairs
8.	Bhimrao Dattu Jadhav	Senior Vice President – Operations (Formulations)
9.	Yarramshetty Krishna Rao	Senior Vice President – Operations
10.	Dr. Rampalli Sriram	Senior Vice President – Chemical Research and Development
11.	Sandeep Kumar	Senior Vice President – Quality Assurance
12.	Gnanadeva Chalapathy Gudipati	Senior Vice President – Analytical Research and Development
13.	James Rajakumar	Vice President – Marketing and Sales (Domestic)
14.	G Vasan	Vice President – Operations
15.	Kurra Venkata Sreenivasa Babu	Vice President – Operations
16.	Dr. Praveen Chowdary Myneni	Vice President – Medical Affairs and Clinical Research
17.	Dr. Gogula Venkata Ramana	Vice President – Drug Development and Clinical Research
18.	Dr. Pratima Jain	Vice President – Intellectual Property Rights
19.	Barur Praveen Kumar	Vice President – International Business Division
20.	K.M.V. Narayana Rao	Vice President – Analytical Research and Development
21.	Dilip Manikchand Dhore	Vice President – Corporate Quality Assurance
22.	T.C. Mallikarjuna	Vice President – Quality Control

S. No.	Particulars	Designation
23.	M. Prabhakar Rao	Vice President – Information Technology and Information Systems
24.	G. Vijay Kiran Kumar	Vice President – Operations
25.	Madhava Rao Karicherla	Vice President – Formulation, Research & Development
26.	Mutyala Vamsi Krishna	Associate Vice President – Corporate Social Responsibility
27.	Amresh Kumar Trivedi	General Manager – Legal

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements can be accessed on the website of our Company at https://www.natcopharma.co.in/investor-relations.

Further, the Limited Review Financial Results can be accessed on the website of our Company at https://www.natcopharma.co.in/investor-relations.

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SUMMARY OF FINANCIALS

The following table provides a brief summary of the financials for three months ended June 30, 2026, and June 30, 2025, and for the year ended March 31, 2026, and March 31, 2025, derived from the Limited Review Financial Results and the Audited Consolidated Financial Statements, respectively, of our Company:

Particulars	June 30, 2026	June 30, 2025	March 31, 2026	March 31, 2025
Total income *(in ₹ million)*	7,944	13,906	43,759	47,840
Net profit / loss before tax and share of profit of associate *(in ₹ million)*	1,856	5,719	14,908	22,914
Net profit / loss after tax and share of profit of associate *(in ₹ million)*	2,065*	4,803	14,185**	18,834
Equity Share capital *(in ₹ million)*	358	358	358	358
Reserves and surplus *(in ₹ million)*	95,027	80,910	91,853	75,712
Net worth *(in ₹ million)*	95,385	81,268	92,211	76,070
Basic earnings per equity share(1) *(in ₹)*	11.53	26.84	79.20	105.26
Diluted earnings per equity share(1) *(in ₹)*	11.53	26.84	79.20	105.26
Net asset value per equity share(2) *(in ₹)*	532.55	453.73	514.83	424.71
Return on net worth(3) *(in %)*	2.16	5.91	15.38	24.79

* *Including share of profit of associate ₹ 843 million.*
** *Including share of profit of associate ₹ 466 million.*
Notes:
(1) *Earnings per share (basic and diluted): Total profit after tax divided by total number of outstanding shares.*
(2) *Net asset value per equity share: Net worth divided by total number of outstanding shares.*
(3) *Return on net worth: Net profit / loss after tax and share of profit of associate divided by total net worth (which is reserves and surplus plus equity capital).*

Detailed rationale for the Issue Price:

The Issue Price will be determined by our Company on the basis of various qualitative and quantitative factors as described below:

Qualitative factors

Some of the qualitative factors which form the basis for computing the Issue Price are set forth below:

2. Our Company is one of the pioneers in the domestic oncology space in India, and has launched several first generics in India, thereby making oncology therapies more accessible and affordable.
3. We are a research-focused pharmaceutical Company with an integrated business strategy spanning development, manufacture and marketing of finished dosage formulations (“**FDFs**”), active pharmaceutical ingredients (“**APIs**”) and agrochemicals.
4. Backed by over four decades of industry experience, we have evolved into a global enterprise with presence in more than 50 countries through 13 direct and step down Subsidiaries and one Associate, with front-end presence in major markets, including the United States of America, Canada, Brazil, Indonesia, Singapore, Philippines, and presence through partners in Saudi Arabia, China, Egypt, Turkey, Algeria, Morocco, Thailand and Malaysia.
5. We have expanded our presence in the South African market through acquisition of 49% stake in Adcock Ingram Holdings Proprietary Limited, the second largest player in the region, with presence across business segments like over the counter, prescription and hospitals.

Quantitative factors

Some of the quantitative factors which form the basis for computing the Issue Price are set forth below:

Basic and diluted earnings per Equity Share (“**EPS**”) (face value ₹2 each)

Financial Year / Period ended	Basic EPS *(in ₹)*	Diluted EPS *(in ₹)*
June 30, 2026*	11.53	11.53
June 30, 2025*	26.84	26.84
March 31, 2026	79.20	79.20
March 31, 2025	105.26	105.26

* *Not annualised*

Return on Net Worth ("**RoNW**")

Financial Year / Period ended	RoNW *(in %)*
June 30, 2026*	2.16
June 30, 2025*	5.91
March 31, 2026	15.38
March 31, 2025	24.79

* *Not annualised*

Net asset value ("**NAV**") per Equity Share (face value ₹2 each)

Financial Year / Period ended	NAV per Equity Share *(in ₹)*
June 30, 2026*	532.55
June 30, 2025*	453.73
March 31, 2026	514.83
March 31, 2025	424.71

* *Not annualised*

The Issue Price is [●] times the face value of the Equity Shares.

SECTION VI: GOVERNMENT APPROVALS

GOVERNMENT AND OTHER APPROVALS

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, refer to the chapter titled "*Objects of the Issue*" beginning at page 53.

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 September 9, 2026 pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act.

This Draft Letter of Offer has been approved by a resolution of our Board of Directors passed at its meeting held on September 9, 2026. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by our Board of Directors on [●].

The Board of Directors, in its meeting held on [●], has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 13,000 million* and the Rights Entitlement as [●] Rights Equity Share for every [●] fully paid-up Equity Share, held as on the Record Date.

Our Company has received in-principle approvals from NSE and BSE in accordance with Regulation 28(1) of the SEBI LODR Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters each dated [●]. Our Company will also make applications to NSE and BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders. For details, see "*Terms of the Issue*" beginning on page 83.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Promoters, the members of our Promoter Group and our Directors have not been and are not prohibited or 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.

Further, our Promoters and our Directors are not promoter(s) or director(s) 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 are associated with the securities market in any manner. Further, there is no outstanding action initiated by SEBI against any of our Directors, who have been associated with the securities market.

Neither our Promoters nor any of our Directors are declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Our Equity Shares have not been suspended from trading as a disciplinary measure, during the last three years immediately preceding the date of filing of this Draft Letter of Offer.

As on the date of this Draft Letter of Offer, no show-cause notice has been issued by SEBI or an adjudicating officer in proceedings for imposition of penalty, and no prosecution proceedings have been initiated by SEBI, against our Company, our Promoters or our whole-time Directors.

Other Confirmations

Our Company, in accordance with Regulation 79 of the SEBI ICDR Regulations, shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person for making an Application.

Prohibition by RBI

Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.

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 Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions 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 has made applications to the NSE and BSE and has received their in-principle approvals through their letters each dated [●], for issuance of the Rights Equity Shares pursuant to this Issue. NSE is the Designated Stock Exchange for the Issue.

Compliance with SEBI Listing Regulations

Our Company is in compliance with the Equity Listing Agreement and the SEBI Listing Regulations for a period of the last three years immediately preceding the date of filing of this Draft Letter of Offer.

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

The disclosures in this Draft Letter of Offer are in terms of Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations.

CAUTION

Our Company shall make all information available to the Eligible Equity Shareholders in accordance with the 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, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer and the Letter of Offer. You must not rely on any unauthorized information or representations. The Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights 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.

Our Company accepts no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

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 Hyderabad, Telangana, where our Registered Office is situated.

Designated Stock Exchange

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

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with SEBI and the Stock Exchanges.

Disclaimer from our Company

Our Company accepts 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 anyone 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.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, the Letter of Offer will be filed with the Stock Exchanges and with SEBI in accordance with the SEBI ICDR 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 U.S. SECURITIES ACT AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS" AS DEFINED IN AND IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT TO ELIGIBLE EQUITY SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE IS PERMITTED UNDER THE LAWS OF SUCH JURISDICTIONS. 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 ENTITLEMENTS OR RIGHTS EQUITY SHARES FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER 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. No Application Form should 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 under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer and Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who purchases or sells Rights Entitlements or makes an application for Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the purchase or sale of Rights Entitlements, it will not be, in the United States and is authorized to purchase or sell the Rights Entitlement and subscribe to the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights 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 outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided; or (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI LODR 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, and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023, and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Further, pursuant to the Master Circular for Online Resolution of Disputes in the Indian Securities Market bearing reference number SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 28, 2023, as amended from time to time, the SEBI has established a common Online Dispute Resolution Portal ("**ODR Portal**") for resolution of disputes arising in the Indian Securities Market. Pursuant to the above-mentioned circular, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal at https://smartodr.in/login

Our Company has a Stakeholders' Relationship Committee which meets at least once in a financial 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. Venture Capital and Corporate Investments Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Compliance Officer.

The investor complaints received by our Company are generally disposed of within 21 days from the date of receipt of the complaint. Further, during the quarter ended June 30, 2026, our Company received 194 investor complaints, all of which were resolved during the quarter. Accordingly, there were no investor complaints pending as on June 30, 2026.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, 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, 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 photocopy of the acknowledgement slip. For details on the ASBA process, please see *"Terms of the Issue"* beginning on page 83.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

KFin Technologies Limited
Address: 301, The Centrium, 3rd Floor
57, Lal Bahadur Shastri Road
Nav Pada, Kurla (West)
Kurla, Mumbai – 400 070
Maharashtra, India
Tel: +91 40 6716 2222 / 1800 309 4001
E-mail: natcopharma.rights@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Contact Person: M Murali Krishna / Williams R
Website: www.kfintech.com
SEBI Registration No.: INR000000221

Company Secretary and Compliance Officer

Chekuri Venkat Ramesh is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Chekuri Venkat Ramesh
'NATCO House'
Road No. 2, Banjara Hills
Hyderabad – 500034
Telangana, India
Tel: +91 90307 20366
E-mail: venkatramesh.ch@natcopharma.co.in

SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the 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 Draft Letter of Offer. Investors 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 Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA or any other mode which may be notified by SEBI.

Please note that our Company has opened a separate demat suspense escrow account namely, NATCO Pharma Limited - Rights Issue Demat Suspense Account ("Demat Suspense Account") and would credit Rights Entitlements on the basis of the Equity Shares: (a) held in the account of the Investor Education and Protection Fund Authority; or (b) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed suspense account / demat suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (c) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (d) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details (such as applicable regulatory approvals, Form ISR-1, ISR-2 with original cancelled cheque (if signature does not match with our record), ISR-4 (if shares are under unclaimed suspense account) self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense 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. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue

during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

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 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, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular 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.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares. For more details, see "*Restrictions on Purchases and Resales*" beginning on page 115.

In accordance with the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the 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 valid e-mail address, then the Application Form, the Rights Entitlement Letter and other Issue material will be physically 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 their Indian address and who have made a request in this regard.

Investors can access this Draft Letter of Offer, the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe to the Rights Equity Shares under applicable laws) on the websites of:

(i) our Company at www.natcopharma.co.in;

(ii) the Registrar at https://rights.kfintech.com/;

(iii) the Stock Exchanges at www.bseindia.com, and www.nseindia.com

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, in case shares held in physical mode or

contact with their Depository participant in case shares held in demat mode, Eligible Equity Shareholders should visit www.natcopharma.co.in.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.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). The link for the same shall also be available on the website of our Company at www.natcopharma.co.in.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the 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 Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the issue of Rights 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 Draft Letter of Offer is being filed with Stock Exchanges and subsequently will be filed with SEBI for information and dissemination. Accordingly, Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Issue Materials 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, such Issue Materials 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 the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the 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 the 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 the Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire the Rights 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). For more details, see "*Restrictions on Purchases and Resales*" on page 115.

This Draft Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

- **In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors 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*" on page 98.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights 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.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should 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*"** **on page 94. 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, Investors 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 and such Investors shall not utilise the Application Form for any purpose including renunciation even if it is received subsequently. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 89.

- ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to in the Issue.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full; or

(vi) in case of Promoter and Promoter Group, renouncement of their Rights Entitlements can be made in favour of Specific Investors

- ***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors 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.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation 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 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, their directors, their 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.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Investors applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.

(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(c) 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.

(d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights 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.

(e) 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.

(f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(g) 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.

(h) 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.

(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), 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.

(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.

(e) Do not submit Application Form using third party ASBA account.

(f) Avoid applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.

(g) Do not submit Multiple Application Forms.

- ***Application by specific investor(s), if any and applicable***

In case of renunciation of Rights Entitlement to specific investor(s) by our Promoters or members of the Promoter Group

Our Promoters or members of the Promoter Group may renounce any portion of their Rights Entitlement to one or more specific investor(s) subject to disclosure of the same in terms of the SEBI ICDR Regulations. The name of the specific investor(s) (i.e. the Renouncee), the name of our Promoters or members of the Promoter Group (i.e., renouncer) and the number of Rights Entitlements renounced in favour of such specific investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.

In case of such renunciation of Rights Entitlement by our Promoters or members of the Promoter Group to any specific investor, all rights and obligations of the Eligible Equity Shareholders in relation to the Applications and refunds pertaining to the Issue shall apply to the specific investor (i.e. the Renouncee) as well.

Time limit for renouncing of Rights Entitlement by our Promoters and members of the Promoter Group and credit of Rights Entitlement to specific investor should be specified such that the specific investor is able to apply before 11:00 a.m. (Indian Standard Time) on Issue Opening Date. On market Rights Entitlement renunciation may not be possible in such case considering T+2 rolling settlement. The Application by such specific investor(s) shall be made on Issue Opening Date before 11:00 am (Indian Standard Time) and no withdrawal of such Application by the specific investor(s) shall be permitted. Our Company undertakes to disclose to the Stock

Exchanges whether such Specific Investor(s) have made the Application or not, for dissemination on the Issue Opening Date by 11:30 a.m. (Indian Standard Time).

In case of allotment of any undersubscribed portion of the Rights Issue to specific investor(s)

Our Company may allot any undersubscribed portion (if any) of the Rights Issue to one or more specific investor(s) and the names of such specific investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such specific investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar.

- ***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 terms of Regulation 78 of SEBI ICDR Regulations in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through 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 or 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.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled 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:

1. Name of our Company, being NATCO Pharma Limited;
2. 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);
3. DP and Client ID in which RE held;
4. 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;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;

11. Total Application amount paid at the rate of ₹[●] per Rights Equity Share;

12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

13. 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;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. 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

16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Purchases and Resales – Representations, Warranties and Agreements by Purchasers*" on page 116, and shall include the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**") to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights 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 Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

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. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer titled "Restrictions on Purchases and Resales" on page 115.

I/ We understand and agree that the Rights Entitlements 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 U.S. Securities Act.*

I/ We acknowledge that the Company their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

Investors 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 Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.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 Investors' ASBA Accounts on or before the Issue Closing Date.

- ***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear 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/or whose demat account details are not available with our Company or the Registrar, shall be credited in the Demat Suspense Account.

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 to send form ISR1, ISR2 (in case signature does not match with RTA record), ISR-4, Client master copy, Copy of Self attested PAN, Original Cancelled cheque to RTA above documents should reach with RTA no later than two Clear 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 at least one day before the Issue Closing Date; and

(c) The remaining procedure for Application shall be same as set out in the section entitled "*– Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page 89.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the Demat Suspense Account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights 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 Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity

Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights 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 the section entitled "- *Basis of Allotment*" on page 107.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Additional general instructions for Investors in relation to making of an Application

(a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) 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 Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* on page 89.

(d) Applications should be 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, 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.

(e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.

(f) 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 Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

(g) 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. Investors applying under this Issue should note that on the basis of name of the Investors, 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, Investors 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 Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the intimation on unblocking**

of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or Registrar shall be liable to compensate the Investor 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 Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) 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 Investors must sign the Application as per the specimen signature recorded with the SCSB.

(j) Investors 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. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

(k) 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.

(l) All communication in connection with Application for the Rights 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.

(m) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit Multiple Applications.

(s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and the FEMA Rules, as amended.

(t) Ensure that your PAN is linked with Aadhaar, and you are in compliance with CBDT notification dated February 13, 2020, and press release dated June 25, 2021, and September 17, 2021.

- ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/ Depository.

(c) Sending an Application to our Company, Registrar, Bankers to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(i) 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).

(j) 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.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(o) If an Investor 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 Investor to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights 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 outside the United States, and is eligible to subscribe for the Rights 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 Rights Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Investors that are residing in U.S. address as per the depository records.

(s) Applicants not having the requisite approvals to make Application in the Issue.

(t) RE not available in DPID on Issue Closing Date.

- ***Multiple Applications***

In case where multiple Applications are made using same demat account in respect of the same set of Rights Entitlement, 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 Investors, 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 Rights Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. 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*" on page 97.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications may be treated as multiple applications and are liable to be rejected or all the balance shares other than Rights Entitlement will be considered as additional shares applied for, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in the section entitled "*Summary of Draft Letter of Offer – Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement and intention to subscribe to their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*" on page 44.

- ***Procedure for Applications by certain categories of Investors***

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 investor group (which means multiple entities registered as foreign portfolio investors 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 investor 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 investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates. The ceiling of investments in our Company by FPIs is 74% through automatic route.

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 (iv) 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:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

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 other things, 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.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an individual person resident outside India, including a Non-Resident Indian ("**NRI**") or an Overseas Citizen of India ("**OCI**"), may purchase or sell equity instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, through a branch designated by an authorised dealer for the purpose, subject to the conditions, *inter alia*, that the total holding by any such individual will be less than 10% of the total paid-up equity capital on a fully diluted basis or will be less than 10% 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 such individuals put together will not exceed 24% of the total paid-up equity capital on a fully diluted basis or shall not exceed 24% of the paid-up value of each series of debentures or preference shares or share warrants. The sectoral cap applicable to our Company is 100% through government approval route and 74% through automatic route and the aggregate ceiling for investment by FPIs in our Company is 74% through automatic route. The aggregate ceiling for individual persons resident outside India, including NRIs and OCIs, in our Company is 24%.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. Subsequently, vide press note 2 of 2026 dated March 15, 2026, read with the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026, the FDI Policy has been amended to define the expression 'beneficial owner' in terms of the Prevention of Money-laundering Act, 2002 and the rules thereunder, and to provide that such prior approval is required only where citizen(s) and/or entity(ies) of any such country hold, directly or indirectly, individually or cumulatively, more than 10% of the shares, capital or profits of the investor entity, or exercise control over such investor entity, or exercise ultimate effective control over the investee entity. Each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or exchange traded funded or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

*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) net worth 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 [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof 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 may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft 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 the section entitled "- *Basis of Allotment*" on page 107.

Please note that on the Issue Closing Date, 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.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors 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

An Investor 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 Investor applying through ASBA facility may withdraw their Application post the Issue Closing Date. In case of Specific Investor in whose favour Promoters and Promoter Group have renounced their Rights Entitlement and the Specific Investors have made an application for subscribing to the Rights Entitlement, then no withdrawal of such application will be allowed.

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 or a committee thereof 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. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within one Working Day 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.

III. 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 Rights Equity Shares as set out 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., https://rights.kfintech.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). The link for the same shall also be available on the website of our Company (i.e., www.natcopharma.co.in).

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 ISIN: [●]. 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 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 their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised 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 lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements 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 Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the 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 no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense 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 by sending ISR-1, ISR-2 (in case signature does not match with RTA record), ISR-4 with copy of PAN, original Cancelled cheque (name of 1st shareholder should be printed on it), Copy of CML (client master) to RTA in original. 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 ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

1. the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form.

2. 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 Investor Education and Protection Fund 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 LODR 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.

IV. 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 favour 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 Investors 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.

  Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors 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 Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

₹[●] per Rights Equity Share (including premium of ₹[●] per Rights Equity Share) shall be payable on Application.

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 Investors.

(a) *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 ICDR Master Circular, 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 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors 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 Investors 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, and NSE under automatic order matching mechanism and on 'T+1 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 Exchanges and the SEBI.

(b) *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 Rights Equity Shares in the Issue.

The Investors 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 Investors 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.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor 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 Investor'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 Investor 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 as set forth in this Draft 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, of the receipt of minimum subscription 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 finalisation 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. FSC BC 42/24.47.00/2003- 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 Investors

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 Investors

As regards the Application by non-resident Investors, 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 Rights 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 Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights 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 Rights 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 Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights 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 dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "*The Issue*" beginning on page 46.

- ***Fractional Entitlements***

  The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Shares held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding less than [●] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the 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 LODR 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 Rights 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 Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights 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 Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company will apply for in-principle approval from the BSE and NSE. Our Company will apply to the Stock Exchanges for final approvals 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 this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 524816), and NSE (Symbol: NATCOPHARM) under the ISIN: INE987B01026. The Rights 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 Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights 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 Rights 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 Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within one Working Day of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within one Working Day 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 such period, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoters and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoters and members of our Promoter Group, see "*Summary of Draft Letter of Offer – Intention and extent of participation by our Promoters and Promoter Group with respect to (i) their rights entitlement and intention to subscribe to their rights entitlement, (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*" on page 44.

Our Promoters and members of our Promoter Group may renounce any portion of their Rights Entitlement to one or more specific investor(s), in which case the name(s) of such specific investor(s) shall be disclosed by our Company in a public advertisement at least two days prior to the Issue Opening Date. Such participation shall not result in a breach of the minimum public shareholding requirement stipulated in the SEBI LODR Regulations. For details, see "-*Application by specific investor(s), if any and applicable*" on page 88.

- ***Rights of Holders of Equity Shares of our Company***

  Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

  (a) The right to receive dividend, if declared;

  (b) The right to receive surplus on liquidation;

  (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;

  (d) The right to free transferability of Rights Equity Shares;

  (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and

  (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

  The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for 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 joint holders 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 joint holders (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 dematerialised 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 Investors would prevail. Any Investor 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 dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***
  There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant this Issue. However, the Investors should note that pursuant to the provisions of the SEBI LODR Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- ***Notices***
  Our Company will send through email and speed post, this Draft Letter of Offer, the Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 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 Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

  Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

  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, one Hindi language national daily newspaper with wide circulation and one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Hyderabad, Telangana, where our Registered Office is situated).

  This Draft 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/Investors***

  As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights 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 Rights 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 Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor 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 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai – 400 070, Maharashtra, India or einward.ris@kfintech.com. It will be the sole responsibility of the Investors 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.

  This Draft Letter of Offer, the 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 Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights 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 Rights 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 Rights 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at 301, The Centrium, 3rd Floor, 57, Lal Bahadur Shastri Road, Nav Pada, Kurla (West), Kurla, Mumbai – 400 070, Maharashtra, India or einward.ris@kfintech.com.

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE. FOR DETAILS, SEE "- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 108.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR 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 the Fund Raising Committee 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 no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such Eligible Equity Shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of 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, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com/). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com/) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the 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 Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights 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 Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights 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 Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights 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 Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights 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 Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any specific investor(s) disclosed by our Company in terms of the SEBI ICDR Regulations before opening of the Issue, provided there is surplus available after making full Allotment under (a), (b), (c) and (d) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

(f) 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) (d) and (e) 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 (f) 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 Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. 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;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable, or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in 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 one Working Day 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 such other rate as specified under applicable law from the expiry of such 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 a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds 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 Rights Equity Shares in the Issue and is Allotted a lesser number of Rights 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.

The credit of the Rights Equity Shares to the demat accounts of Allottees and issuance of instructions for unblocking the ASBA Accounts shall be completed within the periods prescribed under the SEBI ICDR Regulations and the SEBI ICDR Master Circular. In cases where refunds are applicable, such refunds shall be made within a period of fifteen days from the Issue Closing Date and interest shall be payable in case of delay. If such instructions are not issued or refunds are not made within the applicable timelines, our Company and every director of our Company who is an officer-in-default shall be jointly and severally liable to issue such instructions and make such refunds together with interest at the rate prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

  The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

  (a) Unblocking amounts blocked using ASBA facility.

  (b) **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 a Magnetic Ink Character Recognition ("**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 otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

  (c) **National Electronic Fund Transfer** ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' 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 Investors 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 Investors through this method.

(d) **Direct Credit** – Investors having bank accounts with the Bankers 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.

(e) **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors 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 Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, 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 demand drafts drawn in favour of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors 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.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within two working days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- **Receipt of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS 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 INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors 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:

a) Tripartite agreement dated April 22, 2003, amongst our Company, NSDL and the Registrar to the Issue; and

b) Tripartite agreement dated June 17, 2014, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. 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 Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights 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. Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, on their registered email address or through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

9. Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who –*

a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447*."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹0.10 crore or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹0.50 crore or with both.

XIV. 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 balance sheet 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 balance sheet of our Company indicating the form in which such unutilized monies have been invested.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) 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 the time limit specified by SEBI.

3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 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.

5) 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.

6) No further issue of securities shall be made till the Equity Shares offered through this Draft Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.

7) Adequate arrangements shall be made to collect all ASBA Applications.

8) As on date, our Company does not have any convertible debt instruments.

9) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the 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 superscribed "*NATCO Pharma Limited – Rights Issue 2026*" on the envelope and postmarked in India) to the Registrar at the following address:

   KFin Technologies Limited
   Address: 301, The Centrium, 3rd Floor
   57, Lal Bahadur Shastri Road
   Nav Pada, Kurla (West)
   Kurla, Mumbai – 400 070
   Maharashtra, India
   Tel: +91 40 6716 2222 / 1800 309 4001
   E-mail: natcopharma.rights@kfintech.com
   Investor Grievance ID: einward.ris@kfintech.com
   Contact Person: M Murali Krishna / Williams R
   Website: www.kfintech.com
   SEBI Registration No.: INR000000221

3. In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at https://rights.kfintech.com/. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties: 18003094001.

4. The Investors can visit following link for frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: https://rights.kfintech.com/;

This Issue will remain open for a minimum seven days. However, our Board or the Fund Raising Committee 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). Further, no withdrawal of Application shall be permitted by any Applicant after 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, read with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, as amended, and the Consolidated FDI Policy Circular of 2020, as amended. 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. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/ departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The FDI Policy 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 Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 74% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are implemented by the Department of Economic Affairs through amendments to the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended. 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 transfer of shares between an Indian resident and a non-resident does not require the prior approval of the Reserve Bank of India or the Government of India, provided that the investment falls under the automatic route and all sectoral, pricing, reporting and securities-law conditions are met, including that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and the FEMA NDI Rules, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI. Further, in accordance with Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the DPIIT, effective through the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026 dated May 1, 2026, an entity of a country which shares a land border with India, or a citizen of any such country, or an investor the beneficial ownership of which is held by such entity or citizen ("**Restricted Investors**"), shall require prior Government approval for any investment, subscription, purchase or sale of equity instruments of an Indian company. Further, any subsequent transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in beneficial ownership falling within the aforesaid thresholds, shall also require prior Government approval. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

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 the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-debt Instruments) 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 amendment, modification or change 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 Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations. Investors are cautioned to consider any amendment, modification or change in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer.

RESTRICTIONS ON PURCHASES AND RESALES

Eligibility and Restrictions

General

No action has been taken or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other Issue Material in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with Stock Exchanges.

Pursuant to the requirements of the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the Issue Materials will be sent/ dispatched only to such Eligible Equity Shareholders who have provided an Indian address to our Company and only such Eligible Equity Shareholders are permitted to participate in the Issue. The credit of Rights Entitlement does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of the Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in (i) the United States or (ii) any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials 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 Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

The Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, renunciation, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Draft Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out above and below.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in and in reliance on Regulation S under the U.S. Securities Act to Eligible Equity Shareholders located in jurisdictions where such offer and sale is permitted under the laws of such jurisdictions. 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 Entitlements or Rights Equity Shares for sale in the United States or as a solicitation therein of an offer to buy any of the said securities. Accordingly, you should not forward or transmit this Draft Letter of Offer and the Letter of Offer into the United States at any time.

Representations, Warranties and Agreements by Purchasers

The Rights Entitlements and the Rights Equity Shares offered outside the United States are being offered in offshore transactions in reliance on Regulation S.

In addition to the applicable representations, warranties and agreements set forth above, each purchaser outside the United States by accepting the delivery of the Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "**purchaser**", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulation S under the U.S. Securities Act).

3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.

6. If any Rights Entitlements were bought by the purchaser or otherwise transferred to the purchaser by a third party (other than our Company), the purchaser was in India at the time of such purchase or transfer.

7. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment.

8. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Draft Letter of Offer with the Stock Exchanges and subsequently with SEBI for information and dissemination); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements except in India or the Rights Equity Shares which it may acquire, or any beneficial interests therein, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer,

sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations.

9. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.

10. None of the purchaser, any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of our Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

11. Prior to making any investment decision to exercise the Rights Entitlements and renounce and/or subscribe for the Rights Equity Shares, the Investor (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of the Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our Group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below); (iv) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgement, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (other than, with respect to our Company and any information contained in the Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

12. Without limiting the generality of the foregoing, (i) the purchaser acknowledges that the Equity Shares are listed on BSE Limited, and National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited, and National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; and (ii) none of our Company, any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements, the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.

13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company.

14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.

15. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Draft Letter of Offer and the Application Form. The purchaser understands that none of our Company, the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of us have reason to believe is in the United States, or is ineligible to participate in this Issue under applicable securities laws.

16. The purchaser subscribed to the Rights Equity Shares for investment purposes and not with a view to the distribution or resale thereof. If in the future the purchaser decides to offer, sell, pledge or otherwise transfer any of the Rights Equity Shares, the purchaser shall only offer, sell, pledge or otherwise transfer such Rights Equity Shares (i) outside the United States in a transaction complying with Rule 903 or Rule

904 of Regulation S and in accordance with all applicable laws of any other jurisdiction, including India or (ii) in the United States pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws.

17. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares.

18. If the purchaser is outside India, the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.

19. If the purchaser is outside India, the purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by all jurisdictions applicable to it, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of all jurisdictions of residence.

20. The purchaser is authorized to consummate the purchase of the Rights Equity Shares sold pursuant to this Issue in compliance with all applicable laws and regulations.

21. Except for the sale of Rights Equity Shares on one or more of the Stock Exchanges, the purchaser agrees, upon a proposed transfer of the Rights Equity Shares, to notify any purchaser of such Equity Shares or the executing broker, as applicable, of any transfer restrictions that are applicable to the Rights Equity Shares being sold.

22. The purchaser shall hold our Company harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of its representations, warranties or agreements set forth above and elsewhere in this Draft Letter of Offer. The indemnity set forth in this paragraph shall survive the resale of the Rights Equity Shares.

23. The purchaser acknowledges that our Company, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

SECTION VIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days and will also be available on the website of our Company from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated September 9, 2026, between our Company and the Registrar to the Issue.

2. Monitoring Agency Agreement dated September 9, 2026, between our Company and the Monitoring Agency.

3. Banker to the Issue Agreement dated September 9, 2026, between our Company, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.

2. Certificate of incorporation dated September 19, 1981, issued to our Company, under the name 'Natco Fine Pharmaceuticals Private Limited' by the Registrar of Companies, Andhra Pradesh at Hyderabad.

3. Certificate of incorporation of our Company endorsed by the Registrar of Companies, Andhra Pradesh at Hyderabad, pursuant to our Company becoming a deemed public company under Section 43A of the Companies Act, 1956 with effect from July 1, 1992, and the word 'Private' being deleted from the name of our Company.

4. Fresh certificate of incorporation dated February 18, 1993 issued to our Company, under the name 'Natco Pharma Limited' by the Registrar of Companies, Andhra Pradesh at Hyderabad, pursuant to the change in name of our Company from 'Natco Fine Pharmaceuticals Limited' to 'Natco Pharma Limited'.

5. Fresh certificate of incorporation dated December 30, 1994 issued to our Company, under the name 'Natco Pharma Limited' by the Registrar of Companies, Andhra Pradesh at Hyderabad, pursuant to the conversion of our Company from a deemed public company to a public limited company.

6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to the Issue, legal counsel to the Company as to Indian law, the Registrar to the Issue, and the Monitoring Agency, for inclusion of their names in this Draft Letter of Offer and the Letter of Offer to act in their respective capacities.

7. Resolution of our Board of Directors dated September 9, 2026, in relation to this Issue.

8. Resolution of our Board of Directors dated September 9, 2026, approving and adopting this Draft Letter of Offer.

9. Resolution of our Board of Directors dated [●], approving terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters

10. Resolution of our Board of Directors dated [●], approving and adopting the Letter of Offer.

11. Annual Reports of our Company for the Financial Years 2026, 2025 and 2024.

12. In-principle approvals dated [●], issued by BSE and NSE respectively.

13. Statement of Special Tax Benefits certificate issued by Praveen K Jallan & Co, Chartered Accountants, bearing firm registration number 018382S.

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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Venkaiah Chowdary Nannapaneni

Chairman and Managing Director

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Rajeev Nannapaneni

Vice Chairman and Chief Executive Officer

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Potluri Sivaramakrishna Prasad

Director and Executive Vice President (Corporate Engineering Services)

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Linga Rao Donthineni

Director and President (Technical Affairs)

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Agnihotra Dakshina Murty Chavali

Non-Executive (Independent) Director

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Dronadula Vijaya Bhaskar

Non-Executive (Independent) Director

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Bolisetty Lakshminarayana

Non-Executive (Independent) Director

Date: September 9, 2026

Place: Hong Kong

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Nitin Jain

Non-Executive (Independent) Director

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kantipudi Suma

Non-Executive (Independent) Director

Date: September 9, 2026

Place: Hyderabad, Telangana

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Amit Parekh

Chief Financial Officer

Date: September 9, 2026

Place: Hyderabad, Telangana