



API HOLDINGS LIMITED

Date: September 25, 2023

LETTER OF OFFER

[pursuant to Section 62(1)(a) of the Companies Act, 2013]

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF
API HOLDINGS LIMITED (OUR “COMPANY”) AND OTHER ELIGIBLE PERSONS
ONLY**

The Company is an unlisted public company incorporated on March 31, 2019, having its registered office at 902, 9th Floor, Raheja Plaza 1, B-Wing, Opposite R-City Mall, L.B.S. Marg, Ghatkopar West, Mumbai 400 086, Maharashtra, India.

Subject: Raising up to INR 3500,00,00,000 (“Fund Raise”) by way of issuance of compulsorily convertible preference shares of face value INR 1 (Rupee One only) each (“CCPS B”) at a price of INR 96.8 (including a premium of INR 95.8) per CCPS on a rights basis (“Rights Issue”) to the holders of the equity shares of face value INR 1 (Rupee One only) each of the Company (“Equity Shares”) (each holder of Equity Shares an “Equity Shareholder”), on the record date, that is on August 11, 2023 (“Record Date”) through this letter (“Letter of Offer”)

The CCPS B to be issued pursuant to the Rights Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The CCPS B may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed, in whole or in part, in or into (i) the United States (other than to U.S. QIBs (as defined below)) or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States (other than to U.S. QIBs) or (ii) in 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 Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the CCPS B to be issued pursuant to the Rights Issue and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject the Company or its affiliates to any filing or registration requirement. If this Letter of Offer is received by any person in any such jurisdiction or the United States (other than to U.S. QIBs), they must not seek to subscribe to the CCPS B to be issued pursuant to this Rights Issue.

Any person who makes an application to acquire the CCPS B offered in the Rights Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the CCPS B in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for the Company or our affiliates or financial advisors to make any filing or registration.

Background:

- 1) As you may be aware, the Company undertook steps to launch an initial public offering (“**IPO**”) in 2021-22 to *inter alia*, significantly repay its outstanding debt obligations at the time and in this regard, the Company had filed a draft red-herring prospectus on November 9, 2021. However, due to market conditions and strategic considerations, Company decided to withdraw the IPO in July 2022.
- 2) Given the IPO was not forthcoming, to repay the outstanding debt at the time, the Company had raised debt in the form of non-convertible debentures (“**Debt**”) from Goldman Sachs (“**Goldman**”), EvolutionX (“**EvoX**”) and other debenture holders in June 2022 by way of a debenture trust deed (“**DTD**”). As part of the terms of Debt raised from Goldman, Company was required to fulfil certain covenants which included raising additional capital within stated timelines. While some of the covenants were met, despite best efforts, Company was unable to meet the capital raise stipulations set by Goldman of raising additional capital by January 2023.
- 3) Basis extensive negotiations with Goldman, July 15, 2023 was the deadline by which the Company had to receive binding offers for raising capital. Amongst the offers received, a binding offer from MEMG International India Private Limited (being wholly owned by Dr. Ranjan Pai and his family) (either by itself or through any of its affiliates) and Co-Investors identified by it (“**Incoming Investor**”) for subscribing to the securities of the Company worth INR 1300,00,00,000 (Rupees Thirteen Hundred Crores) at a per share price of INR 4.84/- (“**Offer**”) (which has been arrived at by taking into account the shareholding of the Company on a Fully Diluted Basis (*as defined under the articles of association of the Company*) (“**Articles**”). Since the Offer from the Incoming Investor was the only offer which satisfied the conditions laid out by Goldman, considering the threat of event of default consequences being triggered by the debenture holders which would be

significantly detrimental to the interests of the Company and its shareholders, the board of directors of the Company (“**Board**”) unanimously decided to accept the Offer.

- 4) The Board of the Company has, keeping in mind interests of the Company and all its stakeholders, decided to offer CCPS B in terms of the Offer first to its internal stakeholders (i.e., equity shareholders, CCPS A holders and ESOP holders) under the terms of this Letter of Offer, to provide them an opportunity to invest in the Company at the price mentioned in the Offer prior to offering it to the Incoming Investor.
- 5) We have set out further details on the terms of the Debt and settlement with Goldman and EvoX in Para L of Part 1 of Annexure A of this Letter of Offer and sequence in which the opportunity is being provided to Other Eligible Persons to participate in this Funds Raise in para B of Annexure C of this Letter of Offer.

KEY TERMS OF THE RIGHTS ISSUE

The following table sets forth the key terms and conditions of the Rights Issue:

Instrument	Series B CCPS
Rights Issue Price	INR 96.8 (including a premium of INR 95.8) such that the effective price per equity share issued pursuant to conversion of CCPS B is INR 4.84 (<i>Rupees Four and Eighty Four Paise</i>) per CCPS B (which translates into a conversion of 20 (<i>twenty</i>) Equity Shares for every 1 (<i>one</i>) CCPS B), subject to further adjustments in effective price as detailed out in the terms of CCPS B below, payable in full along with the application.
Rights Issue Ratio / Rights Entitlement	Number of CCPS B 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 1 (One) CCPS B for every 17 (<i>Seventeen</i>) fully paid-up Equity Share held by the Eligible Equity Shareholder as on the Record Date.
Issue Size	Up to INR 3500,00,00,000 (Rupees Three Thousand Five Hundred crores only) (“ Total Issuance Amount ”). The issue of approximately 36,13,06,123 (<i>Thirty Six Crore Thirteen Lakh Six Thousand One Hundred and Twenty-Three</i>) CCPS B at an issue price of INR 96.8 (including a premium of INR 95.8) per CCPS B aggregating to approximately up to INR 3500,00,00,000 (Rupees Three Thousand Five Hundred crores only).

Eligible Equity Shareholder	Equity Shareholders of the Company whose names appear in the register of members of the Company at the close of business hours on the Record Date.
Renouncee(s)	Person(s) (other than a person(s) who is a Competitor (<i>as defined under the Articles</i>) of the Company) in whose favour the Eligible Equity Shareholders have renounced whole or part of their Rights Entitlement by way of an Application Form ¹ in the format given in Annexure E , provided the Eligible Equity Shareholder is permitted to renounce in favour of such person in accordance with the provisions of the Articles.
Investor(s)	Eligible Equity Shareholder(s) and the Renouncee(s) (collectively the “ Investor(s) ”)
Record Date	August 11, 2023
Terms of CCPS	Terms of CCPS B shall be as provided in Annexure D
Form of Issuance	The issuance of CCPS B shall be in demat form.
Issue Period	Rights Issue shall remain open from September 29, 2023 (“ Issue Opening Date ”) to October 27, 2023 (until 5.00 p.m.) (“ Issue Closing Date ”).
Listing	The CCPS B to be issued pursuant to the Rights Issue shall not be listed on any stock exchange.
Purpose of the Offer	Proceeds from the Rights Issue shall be utilized in manner stated in detail in para M of Part 1 of Annexure A of this Letter of Offer
Mode of Payment	All payments from the Investors in this Rights Issue shall be by way of crossed cheques or demand drafts in the name of “API Holdings Limited-R” for resident and non-resident – non repatriation shareholder and “API Holdings Limited-NR” for non-resident repatriation shareholder. In the event any Investor is legally or otherwise unable to make payment by way of a cheque or a demand draft along with the Application Form (<i>as defined below</i>), they may request the Company for alternate methods of payment and the

¹ Note: “**Application Form**” means, where it relates to application form to be submitted by (i) the Investors, the composite application form; and (ii) the Other Eligible Persons, a template of the application form to be provided by the Company

Company may, at its sole discretion, provide alternate payment options. Further, if a person requires an approval from the Competition Commission of India under the Competition Act, 2002, for subscribing to CCPS B (“**CCI Approval**”) and has not received the same prior to Issue Closing Date, such person shall intimate the Board and provide all the necessary details in this regard along with delivery of duly filled in Application Form no later than the Issue Closing Date. The Board shall in such cases, defer allotment to such persons for periods, as applicable, specified in this Letter of Offer, within which such person shall obtain the CCI Approval and make payment of the application money to the Company for subscribing to CCPS B.

Collection Bank	HDFC Bank Limited, having collection centers at locations identified in the Application Form (<i>as defined below</i>).
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Application Form	In the context of ‘Investor’, Application Form shall mean the composite application form (in the format as per Annexure E) and in the context of the ‘Other Eligible Persons ² ’, Application Form shall mean the template of application form which will be provided by the Company to respective Other Eligible Persons in terms of Annexure C of this Letter of Offer.
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Please also refer to the Company Information in **Annexure A**, General Terms of the Rights Issue in **Annexure B**, Terms of Offer of Unsubscribed Rights Issue Amount in **Annexure C** and Financial Information of the Company in **Annexure F**.

Investors are requested to kindly submit the duly filled Application Form (along with the consideration, in full, (as applicable)) on or before 5:00 p.m. on October 27, 2023. If no response is received from the Investor on or before 5:00 p.m. on October 27, 2023, then such Investor would have deemed to decline the CCPS B that such Investor is entitled to in this Rights Issue.

The Board has, keeping in mind the interests of the Company to meet the condition of raising capital as well as treating all the existing stakeholders fairly, decided to allot the Unsubscribed Rights Issue Amount (*as defined below*), if any, to the Other Eligible Persons as per the Waterfall Mechanism (as set out in para C of Annexure C of this Letter of Offer). The Other Eligible Persons are requested to kindly submit the duly filled Application Form (along with the consideration, in full, (as applicable)) as per the terms laid down in Annexure C and within the timelines set out therein.

² Note: “**Other Eligible Persons**” shall have the meaning ascribed to the term in para 1 of Clause B of Annexure C (*on page no. 86 of this Letter of Offer*)

The Company (through its Board) reserves the right to amend the terms of the Rights Issue, subject to applicable laws.

Yours sincerely,

For API Holdings Limited

Siddharth Shah
Managing Director and Chief Executive Officer
(DIN: 05186193)

ANNEXURE A | COMPANY INFORMATION

All references in this section to “we”, “us” or “our” shall refer to our Company together with our subsidiaries on a consolidated basis.

PART 1: GENERAL INFORMATION

The Company was incorporated as ‘API Holdings Private Limited’, as a private limited company under the Companies Act, 2013, and was granted a certificate of incorporation dated March 31, 2019 by the Registrar of Companies, Central Registration Centre. Subsequently, the Company was converted into a public limited company pursuant to a special resolution passed by the shareholders of the Company on October 1, 2021 and a fresh certificate of incorporation dated October 28, 2021 was issued by the Registrar of Companies, Maharashtra at Mumbai (“**Registrar of Companies**”) consequent to the change in the name of the Company to ‘API Holdings Limited’. The Company does not have an identifiable promoter.

A. Registered and Corporate Office, CIN and contact details of the Company

902, 9th Floor, Raheja Plaza 1,
B-Wing, Opposite R-City Mall, L.B.S Marg,
Ghatkopar (W) Mumbai –400086
Telephone: +91 22 6255 6255
Website: www.apiholdings.in
Corporate Identity Number: U60100MH2019PLC323444
E-mail: corporatesecretarial@apiholdings.in

B. Registrar to the Rights Issue

Link Intime India Private Limited
C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India
Tel: +91 810 811 4949
E-mail: api.rights2023@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance ID: api.rights2023@linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration No.: INR000004058

C. Business carried on by our Company and its subsidiaries with the details of branches or units, if any

Overview

We operate an integrated, end-to-end business that aims to provide solutions for healthcare needs of consumers across the following:

- A. delivering healthcare products including medicines, nutraceuticals, OTC and devices
- B. offering diagnostics and radiology tests, and
- C. offering technology products to stakeholders

Our inhouse supply chain capabilities, custom-built proprietary technology, and deep understanding of India's healthcare market enable us to provide each stakeholder in the healthcare value-chain, viz.:

- A. channel (wholesalers, retailers and chemists / institutions),
- B. consultants (and hospitals),
- C. consumers, and
- D. companies (pharmaceutical, nutraceutical and others)

with supply chain infrastructure, diagnostics capabilities and technology tools while also enabling them to benefit from an interconnected network. Our platforms have scaled across urban, semi-urban and rural India, with an ability to serve people across income groups and geographies.

We earn revenue through two business segments – Sale of products and Sale of services.

Brief particulars of the management of the Company:

Details of our key managerial personnel are as provided below:

Management Organisation Structure



Siddharth Shah

Co-founder, Managing Director
and CEO



Dharmil Sheth

Co-founder, Chief Business Officer and
Whole Time Director



Harsh Parekh

Co-founder, Chief Business Officer
and Whole Time Director



Dr. Dhaval Shah

Co-founder, Chief business Officer
and Interim Chief Financial Officer



Hardik Dedhia

Co-founder and
Chief Innovation Officer



Abhinav Yajurvedi

Chief Technology Officer



Akarsh Bharadwaj

Chief Strategy Officer



Drashti Shah

Company Secretary &
Chief Compliance Officer



Savita Sharma

Chief Human Resource Officer

Siddharth Shah is the Co-founder, Managing Director and Chief Executive Officer of our Company. He holds a bachelor's degree in computer engineering from the Dwarakadas J. Sanghavi College, Mumbai and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He was associated with Ascent Health and Wellness Solutions Private Limited as its managing director. He has been a Director on our Board since August 27, 2020.

Dharmil Sheth is a Co-founder, Chief Business Officer and Whole-time Director of our Company. He holds a bachelor's degree in electronics engineering from the K.J. Somaiya College of Engineering, University of Mumbai and a post graduate diploma degree in management (marketing) from the Institute of Management Technology, Ghaziabad. He was associated with MakeMyTrip (India) Private Limited as a part of the online products team, and with 91Streets Media Technologies Private Limited (“91Streets”) as director and co-founder. He has been a Director on our Board since September 9, 2021.

Harsh Parekh is a Co-founder, Chief Business Officer and Whole-time Director of our Company. He holds a master's degree in business administration from the School of Business Management, Narsee Monjee Institute of Management Studies, Mumbai. Previously, he was associated with Bharti Airtel Limited. He was also the Chief Operations

Officer of Ascent Health and Wellness Solutions Private Limited. He has been a Director on our Board since July 1, 2019.

Dhaval Shah is the Co-Founder and Chief Business Officer of our Company. He was also appointed as an Interim Chief Financial Officer of our Company with effect from March 3, 2023. He is responsible for growth of products and services in our Company and plays a key role in various acquisitions and integration undertaken by our Company and our Subsidiaries. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on April 1, 2015 and is working with our Company since Merger 2020. He holds a post graduate diploma in management from XLRI, Xavier School of Management, Jamshedpur, Jharkhand. He also holds a MBBS degree certificate from the Maharashtra University of Health Sciences, Nashik. Previously, he was associated with McKinsey and Company Inc. as a consultant. Post that, he was associated with 91Streets Media Technologies Private Limited as an executive director. He was also a director of our Company till September 6, 2021.

Hardik Dedhia is a Co-Founder and Chief Innovation Officer of our Company. He is responsible for scaling up technological innovations in our Company and plays a key role in integrating technology teams and solutions across our Company and our Subsidiaries. He joined Ascent Health and Wellness Solutions Private Limited as the Chief Technical Officer on April 1, 2016, which merged into our Company pursuant to Merger 2020. He holds a bachelor's degree in electronics and telecommunication engineering from the University of Mumbai, Maharashtra and a master's degree in electrical and computer engineering from the Carnegie Mellon University, Pennsylvania. Previously, he has been associated with NetApp as a quality assurance engineer and Ascent Health and Wellness Solutions Private Limited as its Chief Technical Officer.

Abhinav Yajurvedi is the Chief Technology Officer of our Company. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on February 18, 2019 and was appointed Chief Technology Officer of our Company on September 9, 2021. He holds a bachelor's degree in science from the University of Delhi, New Delhi and a master's degree in computer application from the Indian Institute of Technology, Roorkee. Previously, he has been associated with Amazon Development Center (India) Private Limited as a software development manager and Myntra Designs Private Limited as the senior vice-president, engineering.

Akarsh Bharadwaj is the Chief Strategy Officer of our Company. He joined 91Streets Media Technologies Private Limited (which merged into our Company pursuant to Merger 2020) on April 1, 2018 and was appointed as Chief Strategy Officer in our Company on September 9, 2021. He holds a bachelor's degree in electronics and communication engineering from the Vellore Institute of Technology, Tamil Nadu and a post graduate diploma in management (finance) from the Institute of Management Technology,

Ghaziabad. Previously, he has been associated with Dun & Bradstreet Information Services India Private Limited and Goldman Sachs (India) Securities Private Limited.

Drashti Shah is the Company Secretary and Chief Compliance Officer of our Company. She joined Ascent Health and Wellness Solutions Private Limited (which merged into our Company pursuant to Merger 2020) on October 6, 2016 and was appointed as Head Legal and Company Secretary of our Company on February 10, 2021. She holds a bachelor's degree in commerce from the University of Mumbai and is an associate member of the Institute of Company Secretaries of India. She has also completed a bachelor's degree course in law from the University of Mumbai. Previously she has been associated with Reliance Industries Limited as senior manager in the corporate secretarial and compliance department.

Savita Sharma is the Chief Human Resource Officer of our Company. She joined our Company on October 1, 2021. She has completed a bachelor's degree course in commerce from the University of Lucknow, Uttar Pradesh and a post graduate diploma in management from the Symbiosis Centre for Management & Human Resource Development, Pune, Maharashtra. Previously she has been associated with Mahindra & Mahindra Limited, Patni Computer Systems Limited, Vodafone India Limited, Infoedge (India) Limited and Bharti Airtel Limited.

“Merger 2020” shall mean the scheme of amalgamation between Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with the Company, approved by the National Company Law Tribunal, Mumbai bench, vide its order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), which was made effective on August 27, 2020.

D. Name, Address, DIN and occupations of the directors

Sr. No.	Name	Designation	DIN	Date of appointment	Address	Occupation
1.	Siddharth Shah	Co-founder, Managing Director and Chief Executive Officer	05186193	August 27, 2020	Opposite Odeion Cinema, 701/702 B Wing, Kailash Tower, Vallabh Baug Lane, Ghatkopar (East), Mumbai 400 075, Maharashtra, India	Service

Sr. No.	Name	Designation	DIN	Date of appointment	Address	Occupation
2.	Aditya Puri	Chairman and Non-Executive Director	00062650	April 20, 2021	1002, 10 th Floor, Vinayak Angan, N.B. Parulekar Marg, Prabhadevi, Mumbai 400 025, Maharashtra, India	Business
3.	Harsh Parekh	Co-founder, Whole-time Director and Chief Business Officer	06661731	July 1, 2019	B-403, Aaradhya One, G.M. Road, Amar Mahal Junction, Chembur West, Mumbai 400 089, Maharashtra, India	Service
4.	Dharmil Sheth	Co-Founder, Whole-time Director and Chief Business Officer	06999772	September 9, 2021	8A, 804, Akash Deep CHS Damodar Park, LBS Marg, Near R City Mall, Ghatkopar West, Mumbai 400 086, Maharashtra, India	Service
5.	Ashutosh Sharma	Non-Executive Director	07825610	April 5, 2021	#9173, Prestige Shantiniketan, Opposite Big Bazar, Whitefield, Bangalore 560 066, Karnataka, India	Service
6.	Ankur Thadani	Non-Executive Director	03566737	March 2, 2021	1101, Floor 11, Monte Carlo, Opposite P and T Colony, Madan Mohan Malviya Road, Mulund West, Mumbai 400 080, Maharashtra, India	Service
7.	Deepak Vaidya	Independent Director	00337276	April 20, 2021	251 Suraj Bldg, Walkeshwar Road, Malabar Hills, Mumbai 400 006, Maharashtra, India	Consultant
8.	Vineeta Rai	Independent Director	07013113	September 9, 2021	House no. 20-A, Poorvi Marg, Near E Block Market, Vasant Vihar, Vasant Vihar-I, South West Delhi, New Delhi 110 057, India	Retired Civil Servant (Indian

Sr. No.	Name	Designation	DIN	Date of appointment	Address	Occupation
						Administrative Service)
9.	Subramaniam Somasundaram	Independent Director	01494407	September 9, 2021	H-46, Chaithanya Smaran, Whitefield Hoskote Road, Near Shell Petrol Bunk, Kannamangala, Bangalore 560067, Karnataka, India	Service
10.	Jaydeep Tank	Independent Director	05014753	September 9, 2021	Near Somaiya College, 701, Madhav Meera, Neelkanth Valley, Ghatkopar (East), Mumbai, 400 077, Maharashtra, India	Obstetrician and Gynaecologist

E. Management’s perception of risk factors:

All references in this section to “we”, “us” or “our” shall refer to our Company together with our subsidiaries on a consolidated basis.

An investment in CCPS B involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the CCPS B. The risks described below are not the only ones relevant to us or the securities of our Company, the industry in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may occur and adversely impact our business, cash flows, prospects, results of operations and financial condition. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any of the following risks, some combination of the following risks or other risks that are not currently known or are now deemed immaterial, actually occur, our business, financial condition and results of operations could suffer, the price of our CCPS B and/or Equity Shares and/or other securities 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 us and the terms of the Issue, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the CCPS B. Further, the Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

1. *Our success depends on the continued growth of digital healthcare industry and the increased acceptance of digital healthcare services by consumers.*

We operate in the emerging and dynamic digital healthcare industry in India. It is accordingly uncertain whether it will achieve and sustain high levels of demand, widespread consumer acceptance and market adoption. Risks and challenges we may face in this emerging and dynamic industry include our ability to, *inter alia*:

- *develop and maintain relationships with various stakeholders in the healthcare industry such as pharmaceutical companies, wholesalers, pharmacies, hospitals, doctors, clinics and diagnostic labs, and attract new stakeholders to our platform;*
- *enhance and maintain the value of our brands;*
- *comply with an evolving regulatory environment;*
- *ensure diversified, quality and competitively priced products and services are offered by us to effectively address the needs of our stakeholders;*
- *grow our customer base and enhance their engagement in a cost-efficient manner;*
- *develop new or enhanced platform features and services;*
- *enhance the frequency of use and number of stakeholders on our platform;*
- *develop or implement additional strategic initiatives to grow our revenues;*
- *maintain a reliable, secure, high-performance and scalable technology infrastructure;*
- *maintain competitiveness against new market entrants and developing businesses of existing competitors;*
- *maintain our corporate culture and continue to attract, retain and motivate talented employees; and*
- *defend ourselves against litigation, regulatory interference, claims concerning intellectual property, privacy or other aspects of our business.*

If we fail to address any of the foregoing risks and challenges, our business, financial condition and results of operations may be materially and adversely affected.

2. *Maintaining our brand image and reputation among participants on our platform and the media is critical to our success, and any failure to do so could damage our reputation and brand.*

We typically incur significant cost to build our brands, including “Retailio” and “PharmEasy,” as we believe that brand image and reputation play an important role in enhancing our competitiveness and maintaining our growth. Many factors, including our ability to provide quality services to our stakeholders, manage complaints and negative publicity and maintain a positive perception of our Company, may impact our brand image and reputation. Any actual or perceived deterioration of our service quality may subject us to damages, including the loss of our customers. Many factors, some of which are beyond our control, are important to maintain and enhance our brands. These factors include:

- our ability to maintain superior user experience and the quality of products and services provided through our platform;
- the breadth of our product and service offerings and their efficacy in addressing the needs of our platform participants and meeting their expectations;
- the perceived strengths of our product and services as compared to those of our competitors;
- the reliability, security and functionality of our platform;
- our ability to adopt new technologies or adapt our information infrastructure to changing user requirements or emerging industry standards;
- the strength of our customer data protection measures;
- our ability to deliver shipments of correct products on time;
- our ability to increase brand awareness through various marketing and promotional activities.

Any negative reviews, comments or allegations about our Company or our stakeholders by the media, on social networks or other public online forums may harm our brands, reputation and public image. We may be the target of anti-competitive, harassing, or other detrimental conduct by third parties. Such conduct may include complaints, anonymous or otherwise, to regulatory agencies. Our business may also be adversely affected by adverse news, negative publicity or other incidents associated with India's healthcare industry. Such incidents may damage the reputation of not only the parties involved, but also the general healthcare and wellness industry in general, even if such parties or incidents have no relation to us, our management, our employees, our suppliers, and merchants.

In recent years, there has been a marked increase in the use of social media platforms in India, including blogs, social media websites and applications, which allow individuals access to a broad audience. Many social media platforms immediately publish content that their subscribers and participants post, often without filters or checks on accuracy of the content posted. Such posting of information online could harm our business, reputation, and consequently our financial condition and operating results, regardless of accuracy of such information. This could increase our costs, lead to litigation or result in negative publicity that could damage our reputation and adversely affect our business, results of operations and financial condition.

In addition, we have licensed the "PharmEasy" brand to Axelia, which operates the PharmEasy marketplace in India. We have also licensed the "PharmEasy" brand name to franchisees and provide franchisor services, such as fulfilment, marketing and digital enablement for franchisee owned and operated offline pharmacies. Failure by the franchisees to provide quality service may damage our brand and reputation.

3. *We have a limited operating history, including in digital healthcare industry, and have made recent significant acquisitions, which makes it difficult to evaluate the risks and challenges we may encounter.*

While some of our Founders have been engaged in the healthcare industry since 2012, and 91Streets Media Technologies Private Limited and Ascent Health and Wellness Solutions Private Limited have been engaged in the healthcare industry since 2015 and 2013 respectively, our Company was incorporated on March 31, 2019. Accordingly, we have a limited operating history. Further, we operate in the digital healthcare industry with focus on digital solutions, which is relatively new in India. We have grown since our Company's incorporation, primarily as a result of recent acquisitions many of which are significant. In financial year 2021, Ascent Health and Wellness Solutions Private Limited, along with certain other entities, were merged into our Company, and we also acquired Medlife International Private Limited ("**Medlife**"), both of which were significant acquisitions by our Company. During Fiscal 2022, we had acquired Akna Medical Private Limited ("**Aknamed**") and Thyrocare Technologies Limited ("**Thyrocare**"), both of which are also significant acquisitions. These acquisitions have helped us expand into new or adjacent businesses in which we have limited or no prior operating history. However, there can be no assurance that we will be able to achieve anticipated benefits or successfully integrate these acquisitions. Further, our Company has also entered into an agreement to acquire 50.64% of the issued and paid-up share capital of Marg ERP Limited ("**Marg**") on a fully diluted basis from certain shareholders of Marg by December 30, 2023. In addition, we have an obligation to purchase shares in certain other subsidiaries of our Company as per the respective shareholder agreements, at a price based on future earnings multiples.

We may continue to evaluate and consider additional strategic investments and acquisitions which are complementary to our business. Investments or acquisitions involve numerous risks, including synergies not playing out as anticipated at the time of acquisition, potential failure to achieve the expected benefits of the combination or acquisition; difficulties in, and the cost of, integrating operations, technologies, services and personnel; potential write-offs of acquired assets or investments including goodwill; and downward effect on our operating results or difference in the opinion of the founders of those businesses and our management. These transactions will also divert the management's time and resources from our normal operations and we may have to incur unexpected liabilities or expenses. We face additional risks in connection with acquisitions, including that:

- an acquisition may negatively affect our financial condition and results of operations because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may result in our inability to carry forward accumulated tax losses, may expose us to claims and disputes by shareholders and third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition;

- we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel, or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- an acquisition may disrupt our ongoing business, divert resources, increase our expenses, and distract our management; and
- if we issue a significant amount of securities in connection with future acquisitions, existing shareholders may be diluted and earnings per share may decrease or losses per share may increase.

Our future results of operations are subject to a number of risks and uncertainties, including our ability to successfully integrate these acquisitions and plan for and model future growth, and to expand our business in existing markets and enter new geographies and products and services. You should therefore not rely on growth in any prior quarterly or annual period as an indication of our future performance. Our future quarterly and annual results may fluctuate. Many factors may contribute to a decline in our growth rate or negatively affect our profitability, including market saturation, change in consumer preferences, our ability to competitively price our products and services, increased competition from existing and new players, the difficulty of capitalizing on growth opportunities, and the maturation of our business, among others. In particular, our various monetization strategies are new and evolving, some of which are still at the inception or trial stage and may prove unsuccessful.

As our business develops and in response to competition and changes in the industry and regulatory environment, we may continue to introduce new products and services, improve our existing service offerings, pursue acquisitions and strategic investments or adjust and optimize our business model. There can be no assurance that we will be able to achieve the expected results for any such changes, and our financial condition and results of operations may be materially and adversely affected as a result.

4. *We are subject to extensive and evolving applicable healthcare regulatory requirements, non-compliance with which, or changes in which, may materially and adversely affect our business and prospects.*

The healthcare industry in India is subject to extensive government regulation and supervision as well as monitoring by various government authorities. Certain other laws, rules and regulations may affect the pricing, demand and distribution of pharmaceutical products, such as those relating to procurement, prescription and dispensing of drugs by hospitals and other medical institutions, and retail pharmacy. For example, the Drugs and Cosmetics Act, 1940 read with the Drugs and Cosmetic Rules, 1945, provide for (a) the import, manufacture, distribution and sale of drugs and cosmetics and prohibition of the import, manufacture and sale of certain drugs and cosmetics which are, inter alia,

misbranded, adulterated, spurious or harmful; (b) obtaining the retail and wholesale license from the appropriate authorities, as applicable.

In addition, the pharmaceutical distribution, pharmaceutical retailing and healthcare services in India are each subject to extensive and changing government regulations and supervision. For example, the Drugs, Medical Devices and Cosmetics Bill, 2022, (“**Draft Bill**”) which has been issued by the Ministry of Health and Family Welfare, Government of India, and regulates online mode of sale and distribution of any drug by introducing licensing and permission requirements. Further, under the Draft Bill, the Government of India has the power to make rules for the manner to regulate, restrict or prohibit online sale or distribution of any drug and medical devices. Any unfavourable regulatory changes in these industries may also increase our compliance burden and materially and adversely affect our business, profitability and growth prospects.

In the event that we must remedy any violations, we may be required to modify our business models as well as product and service offerings in a manner that undermines the attractiveness of our products and services to our users. We may also become subject to fines or other penalties or, if we determine that the requirements to operate in compliance are overly burdensome, we may elect to terminate the non-compliant operations.

Furthermore, the introduction of new products and services may require us to comply with additional laws and regulations. Compliance by us may require obtaining appropriate permits, licenses or certificates as well as expending additional resources to monitor developments in the relevant regulatory environment. The failure to adequately comply with these future laws and regulations may delay, or possibly prevent, some of our products or services from being offered to users, which may have a material adverse effect on our business, financial condition and results of operations.

5. ***The Government of India may implement new laws and regulations relating to ecommerce business which could lead to new compliance requirements that are uncertain and could adversely affect our business, financial condition, and results of operations.***

Our business operations are subject to laws and policies relating to e-commerce that are evolving both in their content and interpretation.

For example, under the FDI Policy, up to 100% foreign direct investment is allowed under the automatic route (i.e., without prior regulatory approval) in companies engaged in marketplace models of e-commerce that are compliant with certain prescribed restrictions, including in relation to pricing, inventory control and disclosure requirements.

Entities engaged in wholesale trading through e-commerce are subject to restrictions, including on whom they can trade with, and to what extent.

Further, pursuant to the Consumer Protection (E-Commerce) Rules, 2020 (the “**E-Commerce Rules**”), both inventory based model and market place based model retail e-commerce companies are required to comply with various provisions including: (a) appointment of a designated functionary resident in India, to ensure compliance under the Consumer Protection Act, 2019 (“**CPA 2019**”) and E-Commerce Rules; (b) establishing adequate grievance redressal mechanism and acknowledging and addressing any consumer complaints within a period of 48 hours to within a month’s time of receipt of complaints; (c) not manipulating the prices of the goods and services offered on its platform to gain any unreasonable profits.

While we believe that our operations comply with applicable laws, the interpretation of several provisions therein remains dynamic, and the Government of India has made and may continue to make revisions to the FEMA rules, the FDI Policy, CPA 2019 or other applicable laws, and introduce any other specific regulations as regards e-commerce in India, including in relation to inventory, pricing, discounting, usage of platform for B2B and B2C businesses and permitted services data protection and sharing.

Owing to these and certain restrictions which may be applicable to the business of our subsidiaries or our operations, to the extent applicable, under the FDI Policy and proposed amendments to the existing laws and promulgation of any new laws and regulations by the Government of India, we may be required to restructure our operations or we may be unable to develop our business or take advantage of acquisition or other growth opportunities in ways that would be well suited to the platform through which we operate our businesses, which would adversely affect our future growth and business prospects.

The Digital Personal Data Protection Act, 2023 (the “**Data Protection Act**”) has been introduced by the Government which may have certain implications on the manner in which Company collects data. We have set out relevant risk factor in detail in Clause 10 below.

Accordingly, additional compliance requirements could increase our costs or otherwise adversely affect our business, financial condition, cash flows and results of operations. Further, the manner in which requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Any changes to such laws, including the instances mentioned below, may adversely affect our business, financial condition, results of operations, cash flows and prospects. We may also be in non-compliance with respect to statutory obligations imposed by regulatory authorities in the course of our operations, which may subject us to legal proceedings and unfavourable decisions that may result in deterioration in the valuation of the Company.

6. *Any failure to maintain the satisfactory performance of our technology infrastructure could materially and adversely affect our business and reputation.*

The satisfactory performance, reliability and availability of our proprietary technology infrastructure is critical to our success. Our technology infrastructure provides participants on our platform with the ability to undertake transactions in our various products and services, including from us and our customers/ partners, and is accordingly essential to the operations of our business and the delivery of our products and services. Our technology infrastructure is self-developed. Self-developed technology development may be time-consuming and expensive and may involve unforeseen difficulties. We may encounter technical obstacles, and it is possible that we may discover additional problems that prevent our technologies from operating properly and consequently adversely affect our information infrastructure and other aspects of our business where our technologies are applied.

Any system interruptions caused by telecommunications failures, computer viruses, hacking or other attempts to harm our systems that result in the unavailability or slowdown of our platform or reduced order fulfilment performance could reduce the volume of products sold and the attractiveness of product offerings on our platform. If our platform does not function reliably or fails to achieve the expectations of our ecosystem participants in terms of performance, we may lose existing, or fail to attract new customers or participants, which may damage our reputation and adversely affect our business.

While there have been no material instances of defects and errors, our technology infrastructure may develop or contain undetected defects or errors. Performance problems, defects or errors in our existing or new software and applications and services may arise in the future and may result from interface issues between our systems and data that we did not develop and the function of which is beyond our control or undetected in our testing. These defects and errors, and any failure by us to identify and address them, could result in loss of revenue or market share, diversion of development resources, harm to our reputation and increased service and maintenance costs. Defects or errors may also affect our users who rely on our technologies in the operation of their businesses, which may have a material adverse effect on our reputation, business, results of operations and prospects.

7. ***The healthcare industry is highly competitive. If we are unable to compete effectively, our business, financial condition and results of operations may be materially and adversely affected.***

We face intense competition across our business lines, and we compete against other online platforms, diagnostics companies, traditional wholesalers as well as other online and offline healthcare service providers. Some of our competitors may have longer operating histories, greater brand recognition, better supplier relationships, larger customer bases or greater financial, technological or marketing resources than we do. As a result, our competitors may be able to respond more quickly and effectively to new or changing

opportunities, technologies, standards or customer requirements and may have the ability to initiate changes in industry standards or withstand significant regulatory changes. Competition from our competitors may also result in continued pricing pressures, which is likely to lead to price declines in some of our product or service lines, and may, in turn, adversely affect our profitability and market share.

New competitors or alliances between competitors that have greater market share, larger customer bases, more widely adopted proprietary technologies, greater marketing expertise, greater financial resources and larger sales forces than us may emerge, which could put us at a competitive disadvantage. In addition, many operators in the healthcare industry, including our Company, have consolidated in recent years to create larger healthcare enterprises with greater bargaining power, which has resulted in greater pricing pressures. If this consolidation trend continues, it could give the resulting enterprises even greater bargaining power, which may lead to further competitive pressure. New partnerships and strategic alliances in the healthcare industry also can alter market dynamics and adversely impact our businesses and competitive positioning. For example, the diagnostic healthcare services industry in India is highly competitive and has low barriers to entry. While we have strengthened our diagnostic services through the acquisition of Thyrocare, factors upon which we aim to compete with other diagnostic healthcare service providers include, among others, offering services similar to, or superior than, those of our competitors, as well as at prices comparable to that of our competitors; the breadth of our testing offerings; the geographical reach of our network; our ability to process samples and report data accurately and in a timely manner; our historical experience and customer relationships; and the quality of our facilities.

The technologies that we and our competitors with online platforms employ are evolving rapidly, and new developments frequently result in price competition, obsolescence and an altered market landscape. In light of these factors, even if our products and services are more effective than those of our competitors, current or potential customers may accept competitive products and services in lieu of ours. If we are unable to successfully compete in the digital healthcare market, our business, financial condition and results of operations may be materially and adversely affected.

8. ***If our digital healthcare platform fails to provide attractive value propositions to platform participants, our business, financial condition, results of operations and prospects may be materially and adversely affected.***

Our business is also highly dependent on the receptiveness of our platform and products and services offered through our platform to our customers, as well as their willingness to use, and to increase the frequency and extent of their utilization of, such products and services. Growth in the number of stakeholders is a key driver of our revenue growth.

Our ability to continue to attract and retain stakeholders depends partly on our ability to provide superior user experience. Their degree of receptiveness to our platform depends on a number of factors, including the demonstrated accuracy and efficacy of our offerings compared to those of others, delivery time, cost-effectiveness, convenience and marketing support. In addition, negative publicity concerning our products and services or the digital healthcare market as a whole could limit market acceptance of our products and services. There can be no assurance that our efforts and ability to demonstrate the value of our products and services and the relative benefits of our products and services over those of our competitors to our platform participants and end-consumers would be successful. We may fail to achieve an adequate level of acceptance by our stakeholders of our products and services, and we may not be able to effectively expand our customer base, promote consumer engagement or convert registered users to active customers. Consequently, our business may not develop as expected, or at all, and our business, financial condition or results of operations may be materially and adversely affected.

Some of our stakeholders may have their own independent online and offline operations, and may choose to focus on their own operations, rather than on our platform. In addition, they may consider our platform ineffective and cease to use them. Furthermore, as the digital healthcare market is highly competitive, they may choose to cooperate with our competitors instead of us. If any of the above occurs, our platform may not develop as anticipated and our business, financial condition and results of operations may be materially and adversely affected. Additionally, we may not have exclusive or long-term arrangement with participants and such participants may compete with us directly or indirectly, through their own, or through other competitor platforms.

9. *Any failure by Axelia Solutions Private Limited to operate the PharmEasy marketplace successfully could materially and adversely affect its business which in turn could adversely affect our business, prospects, financial condition, cash flows and results of operations.*

PharmEasy marketplace is operated by Axelia Solutions Private Limited (“**Axelia**”), which is 100% owned by Aarman Solutions Private Limited, and we own 19.99% equity interest in Aarman Solutions Private Limited. We own the “PharmEasy” brand and our proprietary technology powers the PharmEasy marketplace. We license the brand and the technology to Axelia pursuant to a platform and brand licensing agreement for a license fee based on a percentage of the GMV transacted on the PharmEasy marketplace on a quarterly basis. “**GMV**”, for our products and services refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes. Further, Axelia has also entered into arrangements with our Company to direct the diagnostic orders generated on the PharmEasy marketplace to Docon Technologies Private Limited (“**Docon**”), a subsidiary of our Company, in lieu of listing fee as per the agreed rates and facilitates the provision of diagnostics and pathology services through its partner laboratories, including labs owned by Thyrocare Technologies Limited, a subsidiary of our Company. Axelia has

entered into arrangements with Docon Technologies Private Limited, a wholly-owned subsidiary of our Company, by which it directs customers requesting teleconsultation services on the PharmEasy marketplace to the DocStat platform thereby connecting registered medical practitioners with patients. We sell pharmaceutical and over the counter medication (“OTC”) products to retailers that are registered sellers on PharmEasy marketplace. Diagnostics services are also provided on the PharmEasy marketplace through multiple diagnostics service providers. We also provide last mile fulfilment services, including to Axelia for pharmaceutical and OTC products sold on the PharmEasy marketplace. Pursuant to the logistics service agreement dated February 7, 2022 (“**Logistics Agreement**”) between Axelia and our Company, we have agreed to provide the services in connection with the transportation of products ordered on the PharmEasy marketplace of, *inter alia*, (a) completion of delivery of the shipment to the location in accordance with the description and details provided in the manifest provided by Axelia to our Company; (b) return of shipments not accepted by the customer; (c) reverse pick-ups from the locations specified by Axelia; (d) share the proof of delivery with Axelia; (e) collect cash (only in India Rupees) of a value specified in the relevant invoice issued by Axelia which shall be held by our Company as a limited agent of Axelia and in trust for Axelia and shall be transferred to Axelia in the manner provided in the Logistics Agreement.

For some of our business strategies to be successful, Axelia must be able to attract and service consumers and grow its operations, in compliance with the terms of the agreements executed by Axelia with us, at acceptable costs and on a timely basis. Any failure by Axelia to operate the PharmEasy marketplace successfully may impact our sales of services that we provide through the PharmEasy marketplace and sale of products to retailers that are registered sellers on PharmEasy marketplace, which could have an adverse impact on our operations to that extent. In the event of termination of our agreements with Axelia, we might need to enter into agreements with other third parties on less favorable terms, which could adversely impact our Company’s business, financial condition and prospects.

Axelia, being an e-commerce entity incorporated in India, is subject to various regulatory requirements in India. If Axelia fails to comply with the terms and conditions of applicable laws, regulations or policies, and as a result is unable to provide services to us for which we have partnered with it, our business, reputation, financial condition, cash flows, results of operations and prospectus may be materially and adversely affected to that extent.

Axelia is involved in litigation before the Gujarat High Court

Proceedings seeking a ban on online sale of drugs are pending before the Gujarat High Court (in *Amit Agencies v. Union of India & Ors.*). Axelia, being the operator of the Pharmeasy Platform, has been made a party to the aforesaid proceedings. So far, the Hon’ble Court has not passed any adverse order. The next date of hearing is yet to be announced.

10. *Our digital healthcare business generates and processes a large amount of data, and any failure to protect confidential information, prevent cybersecurity and data breaches or improper use or disclosure of such data may materially and adversely affect our business, reputation, financial condition and results of operations.*

Our platform generates, stores and otherwise processes a large amount of personal, transactional, demographic and behavioural data. User information in our business operations is stored in a data center operated by third parties. We face risks inherent in handling large volumes of data and in securing and protecting such data, including:

- protecting the data in and hosted on our systems, including against attacks on our system by external parties or improper behaviour by our employees;
- addressing concerns related to privacy, safety, security and other factors; and
- complying with applicable laws, rules and regulations relating to the collection, use, disclosure or security of personal information, including any requests from regulatory and government authorities relating to such data.

The Data Protection Act, which has been passed by both houses of Parliament proposes a detailed legal framework governing the collection, storage and other processing of personal data including the manner (and period) for which its retained, and the manner in which consent for data is collected. The Data Protection Act provides for strong data subject rights and a new Data Protection Board to address grievances and complaints.

We have a data sharing arrangement with Axelia in relation to PharmEasy marketplace under the licensing and services agreements entered into by Axelia in relation to the PharmEasy marketplace and while we believe we are compliant with applicable laws in relation to such data sharing, there can be no assurance that they may not be viewed as such or that we may not be restricted in use of such data as we currently do in the future including due to change in laws. Any failure, or perceived failure, by us to comply with our privacy policies or any applicable regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business model or practices, increase our costs and severely disrupt our business.

Further, even though the Telemedicine Practice Guidelines, 2020 under the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 code has been notified, the guidelines are not comprehensive in relation to the role of platforms enabling telemedicine and the role of registered medical practitioners. In the event that the Regulations are amended and subsequently they increase our cost of compliances, our financial condition could be adversely affected.

As we expand our operations, we may be subject to additional laws in other jurisdictions where our users and stakeholders of our platform are located. The laws, rules and regulations of other jurisdictions may impose on us more stringent or conflicting requirements with harsh penalties for non-compliance than those we are currently subject to, and the compliance with such requirements could require significant resources and result in substantial costs.

The Directions issued by the Computer Emergency Response Team-India, under Section 70B of the Information Technology Act, 2000 require us to report cybersecurity incidents to the Computer Emergency Response Team-India in an expedient manner. Although we have employed significant resources to develop security measures against breaches, our cybersecurity measures may not detect or prevent all attempts to compromise our systems, including distributed denial-of-service attacks, viruses, malicious software, break-ins, phishing attacks, social engineering, security breaches or other attacks and similar disruptions that may jeopardize the security of information stored in and transmitted by our systems or that we otherwise maintain. Security breaches and attacks against our systems and network, and any potential resultant breach or failure to otherwise protect confidential and proprietary information, could impact our technology, damage our reputation and adversely affect our business, financial condition and results of operations. Our technology operations are vulnerable to disruptions arising from human error, natural disasters, power failure, computer viruses, spam attacks, unauthorized access and other similar events. Disruptions to, or instability of, our technology or external technology that allows our customers to use our online products and services could materially harm our business and reputation. In addition, we may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Cyber-attacks may target us, our users or other participants of our platform, or the information infrastructure on which we depend. Actual or anticipated attacks and risks may cause us to incur significantly higher costs, including costs to deploy additional personnel and network protection technologies, train employees, and engage third-party experts and consultants. Cybersecurity breaches may harm our reputation and business, and materially and adversely affect our financial condition and results of operations.

11. We may become subject to medical liability claims, which could cause us to incur significant reputational damage and expenses.

We are exposed to risks inherent in marketing, distributing and selling pharmaceutical and healthcare products and providing digital healthcare services including with respect to fictitious or other fraudulent activities or sale of counterfeit drugs on our platform. Claims, consumer complaints or administrative penalties may arise if any of the products sold by third-party merchants on our platform are deemed or proven to be unsafe, ineffective or defective, or they are found to contain illicit substances, or found to be fake. In addition, in the event that any use or misuse of the products sold by third-party merchants on our platform results in personal injury, illness, disability or death, it may damage our reputation

and we and may also be subject to liability claims. For examples, users of diagnostic healthcare services have a high sensitivity to errors, and our quality certifications and accreditations are critical to the reputation of our brand. If our diagnostic laboratories and testing services fail to meet accreditation standards or we otherwise fail to adapt to evolving diagnostic healthcare standards, we could lose one or more of our accreditations, which may materially and adversely affect our reputation and business. Similarly, negligence in performing our diagnostic services can lead to injury or other adverse events, and we may become liable under healthcare or other laws for acts or omissions by our employees. Axelia which operates the PharmEasy marketplace may also receive claims that may arise from products and services offered by third-party merchants on our platform over whom we have no control.

If we are unable to defend ourselves against such claims, *inter alia*, we may be subject to civil liabilities for physical injury, death or other losses caused by our products, to criminal liabilities, and to the revocation of our business licenses or relevant permits. In addition, we may be required to suspend sales or cease sales of the relevant products. Regardless of the outcome of any such claims against us, product and medical liability claims could cause negative publicity and impairment of users' confidence in us. In the event that such product and medical liability claims are attributable to our suppliers or business partners, there can be no assurance that we will obtain full indemnification from them, and even if we do, our reputation may still be severely impaired.

Medical liability claims could result in substantial damage awards that may exceed the limits of our insurance coverage. We carry professional liability insurance for our Company and Subsidiaries. Professional liability insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to our external doctors or us in the future on commercially acceptable terms, or at all.

Any claims made against us could be costly to defend against, result in substantial damage awards against us and divert the attention of our management, which could have a material adverse effect on our reputation, brand, business, financial condition, results of operations and reputation.

12. *Our Company, our Subsidiaries and certain of our Directors are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.*

From time to time, we face complaints, claims or legal actions brought by persons, including before consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies. Further, in the ordinary course of our business, we may receive communications in the form of letters and

notices from various regulatory authorities, including the Food and Drugs Departments and Drug Controllers of various states in India, Labour authorities, Professional tax authorities, the Central Bureau of Investigation, Competition Commission of India, the Economic Offences Wing and the Employee Provident Fund Organization, in relation to, *inter alia*, requests for information and clarifications relating to our business and in some instances relating to investigations of third parties by the authorities as cooperation with investigations to which we are not connected in any way, operations and past compliances. There can be no assurance that such complaints or claims or requests for information will not result in investigations, enquiries or legal actions by any regulatory authority against us, or impact our ability to conduct our business as we currently do.

We have not created any provisions with respect to possible losses that may arise out of pending litigations identified as contingent liabilities by us, accordingly, there can be no assurance that such litigation will not adversely affect our business, cash flows and results of operation.

Set below is a summary of key outstanding litigations which Company is involved in:

A. Proceedings before the Madras High Court

In 2018, the Tamil Nadu Chemists and Druggists Association filed a writ petition before the Madras High Court, challenging online sale of drugs and claiming a violation of the Drugs and Cosmetics Rules, 1945. *Vide* an Order dated October 31, 2018, the Madras High Court granted an interim injunction against the online sale of medicines without license and directed the Union of India to stall all such online sales forthwith. Thereafter, the Madras High Court passed an Order dated December 17, 2018, *inter alia*, (i) directing the Union of India to notify the draft amendment at the earliest and not later than January 31, 2019; and (ii) directing that online pharmacies cannot proceed with online business in drugs and cosmetics, until the issuance of the aforesaid notification.

Subsequently, on December 18, 2018, the erstwhile 91Streets preferred an appeal (“**Writ Appeal**”) along with an interim application for stay against the Order dated December 17, 2018. By way of an Order dated January 2, 2019, the Division Bench of the Madras High Court partially stayed the Order dated December 17, 2018, thereby lifting the stay on online sale of drugs pending the proposed amendment.

The Writ Appeal is pending before the Division Bench of the Madras High Court. On the last hearing on July 31, 2023, the counsel for the Union of India informed the Bench that the ‘*New Drugs, Medical Devices and Cosmetics Bill, 2023*’ is to be introduced before the Parliament in the coming/ ongoing session, which, if passed, shall replace the Drugs and Cosmetics Act, 1940. Basis the oral submissions made by the counsel for the Union of India, the ‘*New Drugs, Medical Devices and Cosmetics Bill, 2023*’ is slated to include exhaustive provisions on the operation and regulation of online pharmacies.

B. Proceedings before the Delhi High Court

Two different writ petitions, vis., *Zaheer Ahmed v. Union of India & Ors* and *South Chemists and Distributors Association & Anr. v. Union of India*, are currently pending before the Delhi High Court, seeking, *inter alia*, a ban on online sale, distribution or exhibition of drugs, and action against online pharmacies. The erstwhile 91Streets is a party to the proceedings in *Zaheer Ahmed*. The PharmEasy Platform and the erstwhile Medlife are parties to the proceedings in *South Chemists and Distributors Association*.

Pertinently, *vide* Order dated December 12, 2018 in *Zaheer Ahmed*, the Delhi High Court had directed an interim injunction against online sale of medicines without license. On the last date of hearing, which was held on May 22, 2023, the Central Government had filed a status report that while the Central Government had released draft rules for regulating online sale of medicine, for public consultation, it is likely to hold fresh consultation in this regard. Accordingly, the Hon'ble Court granted six weeks' time to the Union of India to inform the outcome of consultations and deliberations and to inform the final stand taken in the matter. The matter is slated to be heard next on November 16, 2023.

A contempt petition titled *Zaheer Ahmed v. Preeti Sudan, Secretary, Union of India & Ors* has also been filed against the erstwhile 91Streets and its Directors, *inter alios*, before the Delhi High Court, alleging contempt of the Order dated December 12, 2018.

All the matters stated herein are tagged together and are to be heard on November 16, 2023.

13. *We require certain licenses, permits and approvals in the ordinary course of business, and the failure to obtain or retain them in a timely manner may materially adversely affect our operations.*

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals in India, generally for carrying out our business. If we do not receive such approvals, our business and operations may be materially adversely affected. Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business and results of operations. If we do not receive such permission in a timely manner or at all, we may incur increased compliance costs, be subject to penalties and inspections, and suffer disruptions in our operations. Additionally, unfavourable changes in or interpretations of existing laws, or the promulgation of new laws, governing our business and operations,

including in the fintech sectors in India could require us to obtain additional licenses and approvals. In addition, regulatory authorities could also impose notices and other orders on us in case of non-possession of licenses.

The Central Drugs Standard Control Organization (“CDSCO”) has issued a show cause notice dated February 8, 2023 to Axelia and various other entities who are in the industry of sale of medicines through online channels. In the aforesaid notice, CDSCO stated that online sale of medicines without license is prohibited and asked Axelia to show cause as to why action should not be taken against it for engaging in sale, stock, exhibit or offer for sale or distribution of drugs in contravention to the provisions of the Drugs and Cosmetics Act, 1940 and Rules made thereunder. We have been informed that Axelia has responded to the show cause notice on February 8, 2023 as well wherein it has denied the allegations made by CDSCO. As per the response issued by Axelia, it is a technology platform and which acts as an intermediary facilitating the sale and purchase transactions between registered pharmacies and users and is not involved in sale of medicines by itself. Hence, it cannot be categorised as an e-pharmacy. No further communication has been received from the CDSCO post the response submitted by Axelia in this regard. The primary contention of the show cause notice is the online *sale of medicines without license* under the Drugs and Cosmetics Act, 1940, and rules made thereunder, as amended from time to time. Given the business relationship between the Company and Axelia, if any adverse action is taken against Axelia in terms of the show cause notice referred hereto, and if Axelia fails to comply with the terms and conditions of applicable laws, regulations or policies, and as a result is unable to provide services to us for which we have partnered with it, our business, reputation, financial condition, cash flows, results of operations and prospectus may be materially and adversely affected to that extent.

14. ***We may be subject to potential litigation due to breach of our contractual obligations. Further, default of certain contractual obligations in the DTD may trigger event of default under the DTD which may adversely impact the business operations, financials and reputation of the Company.***

As a part of our growth strategy and business model, we have from time to time entered into various contracts with investors, suppliers, vendors, employees, agents, licensors, and/or persons for acquisition of securities and / or assets, availing and rendering services, engaging labour, procurement and supply of goods, etc. During the course of our business we may be subject to risk of litigation due to breach of any of the contractual obligations, employment and labour laws, personal injury and property damage, etc. Furthermore, if we get involved in disputes with third-parties in the course of our operations, the same may lead to legal or other proceedings and may result in substantial costs, deterioration in valuation of the Company and the diversion of resources and management’s attention, regardless of the outcome.

For instance, in terms of the covenants agreed to by the Company in the DTD, the Company was required to raise (i) USD 65 million within 90 (*ninety*) days of drawdown of Debt; and (ii) USD 150 million by January 31, 2023. Since the Company failed to raise the requisite amount of funding by January 31, 2023, Goldman has called an event of default under the DTD.

Pursuant to negotiations between the Company and Goldman, Goldman has laid down certain additional conditions which are required to be complied by the Company. In the event the Company fails to comply with such conditions stipulated by Goldman, Goldman may enforce the rights available to it under the DTD and other transaction documents executed in relation to the debentures, as a result of occurrence of an event of default in terms of the DTD.

In terms of the additional conditions imposed upon the Company by Goldman the Company is required to, inter alia, raise at least INR 2000,00,00,000 (Rupees Two Thousand crores) from existing as well as incoming investors. In light of the same, the Company has launched this Rights Issue. However, if this Rights Issue is undersubscribed for any reason including failure of the existing investors to participate in the Rights Issue process, Goldman may enforce the aforesaid rights available to it under the DTD and other transaction documents executed in relation to the debentures. As a consequence, the Company may lose all its investments in the secured assets as well as be forced to liquidate its other assets to make whole the Debt amount to Goldman and other debenture holders, which may have an adverse impact on its financials, business operations and reputation.

15. *Trigger of broad based weighted average anti-dilution rights of holders of certain Converted Equity Shares in terms of the Articles*

The proposed Rights Issue and the determination of CCPS A conversion price³ (“**Identified Anti-Dilution Events**”) will trigger broad-based weighted average anti-dilution rights of such holders of Converted Equity Shares (*as defined in the Articles*) and certain other equity shares (entitled for anti-dilution protection in terms of the Articles) (collectively, the “**Anti-Dilution Securities**”), since these securities were subscribed at a price higher than the CCPS A conversion price and Rights Issue Price respectively.

With respect to the same, Company’s obligation is to offer to the holders of Anti-Dilution Securities, such number of additional equity shares at lowest price possible under

³ Note: In exercise of its powers contained in the letter of offer dated September 16, 2022 issued by the Company, the Board vide its meeting dated July 24, 2023 has determined the CCPS A conversion price at INR 4.356 (Rupees Four and Three Five Six Paise) per CCPS A (“**CCPS A Conversion Price**”).

applicable laws to give effect to the broad based weighted average anti-dilution rights, upon issuance of CCPS B at Rights Issue Price and determination of CCPS A conversion price.

The anti-dilution rights are available to all the holders of the Anti-Dilution Securities alike and no holder of an Anti-Dilution Security has a preferential right over another holder of Anti-Dilution Security with regard to giving effect of the anti-dilution rights.

In this regard, as on the date hereof, the Company has not been able to identify all the holders of the Anti-Dilution Securities since (A) there are over 21,000 shareholders in the Company and the equity shares of the Company (including the Converted Equity Shares) have been transferred amongst various shareholders from time to time without any intimation to the Company; and (B) the Anti-Dilution Securities, post conversion from respective convertible securities, carry the same international securities identification number (ISIN) and accordingly, based on the information available with the Company, it is not possible to differentiate an ordinary shareholder from holders of Anti-Dilution Securities. Moreover, the anti-dilution entitlement is linked to the Reference Price (as defined in the Articles) of respective Anti-Dilution Securities, which is different for different classes of Anti-Dilution Securities.

In the present context, given that the shareholder base of the Company includes non-resident shareholders as well, thereby attracting the provisions under Foreign Exchange Management (Non-debt Instrument) Rules, 2019 (“**FEMA NDI Rules**”) to any issuance of securities by the Company. The securities to be issued by the Company in furtherance to the anti-dilution obligations is required to be in compliance with the Applicable Laws including the FEMA NDI Rules. Keeping in mind the considerations under the Companies Act, 2013 and FEMA NDI Rules, basis legal advice received, the Company is unable to identify a mechanism for giving effect to the anti-dilution rights of holders of Anti-Dilution Securities (which would be triggered by the proposed Rights Issue and the determination of CCPS A Conversion Price) such that the Company is able to give equal treatment to all its shareholders in the same class while providing different entitlements to each class of holders of Anti-Dilution Securities. The Company and the Board have made best efforts to identify a mechanism for giving effect to anti-dilution rights and have also engaged with various key investors on the same. Despite this, unfortunately, at this stage, no workable proposal/ solution for giving effect to anti-dilution rights has been received/identified.

Please be informed that the Company has received a letter dated August 2, 2023 from Mr. Anand Velumani (on behalf of himself, his family members and their group companies) alleging oppression of minority shareholders by the Company and favourable treatment to the Incoming Investor and failure of the Company to give effect to their anti-dilution protection rights.

In this context, the Company has decided to keep the anti-dilution clause under the Articles in abeyance until parties are able to ascertain a mechanism for giving effect to anti-dilution. However, the possibility of further claims or litigations against the Company cannot be ruled out which may result in reputational and financial loss to the Company and thereby adversely affect the interests of the shareholders.

16. *Success of this Rights Issue depends on the receipt of requisite approvals by the participating investors*

Under the merger control regime in India, an investor desirous of participating in this Rights Issue may require CCI Approval if the participating investor is required to obtain the same in terms of the applicable laws. Accordingly, each Eligible Equity Shareholder and Other Eligible Person is required to make its own assessment on applicability of merger control provisions and requirement to obtain CCI Approval and approach the Competition Commission of India for the same. If CCI Approval is triggered for an Eligible Equity Shareholder and/or Other Eligible Person, including Incoming Investor, and where it fails to obtain CCI Approval, such Eligible Equity Shareholder and/or Other Eligible Person, including Incoming Investor, as the case may be, may not be able to consummate its investment in the Company under this Rights Issue.

17. *We have recorded losses in the past. Any losses in the future may adversely impact our business and the value of the Equity Shares*

We have experienced losses from operations in the past. If our revenue does not grow at a greater rate than our expenses, we may not be able to achieve and maintain profitability. We may incur considerable losses in the future for various reasons, many of which may be beyond our control. Additionally, we may encounter unforeseen expenses, operating delays, or other unknown factors that may result in losses in the future. If our expenses continuously exceed our revenue, our business may be materially and adversely affected and we may not be able to achieve or maintain profitability. Any loss in the future may adversely affect our business and the value of our Shares.

F. *Details of default if any including therein the amount involved, duration of default and present status, in repayment of:*

(i) *Statutory dues:* Nil

(ii) *Debentures and interests thereon:* Nil. The Company has committed certain financial covenant breaches under the DTD. The same are being suitably addressed as a part of the Framework Agreement (*as defined below*).

(iii) *Deposits and interests thereon:* Nil

(iv) Loan from any bank or financial institution: Nil

G. Nodal / Compliance Officer

The Company has appointed Ms. Drashti Shah, Company Secretary as the Chief Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems, at the address set forth hereunder.

Drashti Shah

902 9th Floor, Raheja Plaza 1, B-Wing
Opposite R-City Mall, L.B.S. Marg
Ghatkopar West
Mumbai 400 086
Maharashtra, India
Tel: +91 22 6255 6255
E-mail: corporatesecretarial@apiholdings.in

H. Any Default in Annual Filings of the Company

Nil

I. Intention of the directors or Key Managerial Personnel to subscribe to the offer

The directors and key managerial personnel of the Company who are Eligible Equity Shareholders and Renounees (as defined above) may participate in the Fund Raise, subject to compliance with applicable laws.

J. Any financial or other material interest of the directors or key managerial personnel in the Rights Issue and the effect of such interest in so far as it is different from the interest of other shareholders

Nil

K. Contribution being made by the directors either as part of the Rights Issue or separately in furtherance of the proposed object of the Rights Issue

One or more of the directors of the Company may participate in the Fund Raise in their capacity as an Eligible Equity Shareholder, to the extent of their shareholding and in accordance with the terms and conditions laid down herein that are applicable to all Eligible Equity Shareholders.

L. Terms of Debt and Settlement with Goldman and EvoX

- i. Between June 2022 and September 2022, the Company raised Debt from Goldman, EvoX and other debenture holders in terms of the DTD. In terms of the covenants agreed to by the Company in the DTD, the Company was, *inter alia*, required to raise (a) USD 65 million within 90 (*ninety*) days of drawdown of Debt; and (b) USD 150 million by January 31, 2023.
- ii. Subsequently, in September-October 2022, the Company fulfilled the covenant mentioned in i(a) above, by announcing a fund-raise with offer size of INR 750,00,00,000 (Rupees Seven Hundred and Fifty Crores). By way of this fund-raise, Company issued class A compulsorily convertible preference shares (“**CCPS A**”), which was subscribed to the extent of approximately INR 548,00,00,000 (Rupees Five Hundred Forty Eight Crores).
- iii. In order to fulfil covenant mentioned in Clause i(b) above, the Company undertook multiple rounds of engagements with existing shareholders and prospective investors for raising capital including but not limited to engaging reputed investment bankers. In multiple conversations with existing and prospective investors at various forums including the Board meetings of the Company wherein the existing investors were requested for the need to urgently raise capital. However, the Company was unable to raise fresh capital within the specified timeline and hence came to be in breach of covenant in terms of Clause i(b) above despite the earnest efforts by the Company to raise capital.
- iv. Since the Company failed to raise the requisite capital within specified timelines, Goldman called an event of default under the DTD.
- v. Thereafter, Goldman imposed certain additional conditions on the Company, *inter alia*, raising at least INR 2000,00,00,000 (Rupees Two Thousand crores) from existing as well as incoming investors. In light of the same, the Company has launched this Rights Issue.
- vi. To record the terms of settlement, the Company is in the process of executing a framework agreement (“**Framework Agreement**”) with Goldman which shall, *inter alia*, record the terms of settlement agreed between Goldman and the Company in relation to the Debt pursuant to the conclusion of the Rights Issue. As per the terms of the proposed Framework Agreement, the Board shall, after considering any other binding offers received by the Company from its existing shareholders, allot to Goldman and EvoX, such number of CCPS B (on the same terms and conditions as are offered to the Eligible Equity Shareholders, Incoming Investor and other subscribers of CCPS B) for an aggregate amount of INR equivalent of upto USD 38 million (“**DH Securities**”) from the remaining portion of Unsubscribed Rights Issue Amount, if any, in exercise of its discretionary powers contained in Clause 1(v) of para B of Annexure C of this Letter of Offer.

- vii. If the Unsubscribed Rights Issue Amount is not sufficient to issue all the DH Securities to Goldman and EvoX, then part of the DH Securities will be issued from the Unsubscribed Rights Issue Amount (under Clause 1(v) of para B of Annexure C of this Letter of Offer) and the remaining DH Securities will be issued by way of a preferential allotment (on the same terms and conditions as are offered to the Eligible Equity Shareholders, Incoming Investor and other subscribers of CCPS B). The Company will obtain the necessary approvals for the preferential issuance, if necessary, as required under the Companies Act, 2013.

M. Purpose of the Offer

Proceeds from the Rights Issue are to be utilized for the following purposes:

- i. firstly, for redemption of non-convertible debentures issued by the Company in terms of the debenture subscription agreement dated August 25, 2023 (“**DSA**”) for an amount of INR 100,00,00,000 (Rupees One Hundred Crores) *plus* applicable interest, costs and expenses (in terms of the DSA);
- ii. secondly, towards meeting any business requirements of the Company, including towards repayment of working capital facilities availed by the Company subject to terms of the Framework Agreement;
- iii. thirdly, towards maintenance of cash or cash equivalent reserves at the Company as per the terms of the Framework Agreement;
- iv. fourthly, towards payment of the respective Payment Amounts (*as defined in the Framework Agreement*) to the relevant Identified Debenture Holders in accordance with Clause 5 (Settlement of Identified Debentures) which will be partly reinvested by Goldman and EvoX by way of subscription to CCPS B; and
- v. lastly, towards such other purpose as may be decided by the Board.

PART 2: OUR BUSINESS

Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal 2023” and “Financial Year 2023” are to the 12-month period ended March 31, 2023. Also, references to “Fiscal 2022” and “Financial Year 2022” are to the 12-month period ended March 31, 2022. All references in this section to “we”, “us” or “our” shall refer to our Company together with our subsidiaries on a consolidated basis. The reference to Pro forma financial information for Fiscal 2022 is based on the management views and assumes the acquisitions of Akna Medical Private Limited and Thyrocare Technologies Limited as if these were acquired on April 1, 2021 by our Company.

Overview

We operate an integrated, end-to-end business that aims to provide solutions for healthcare needs of consumers across the following:

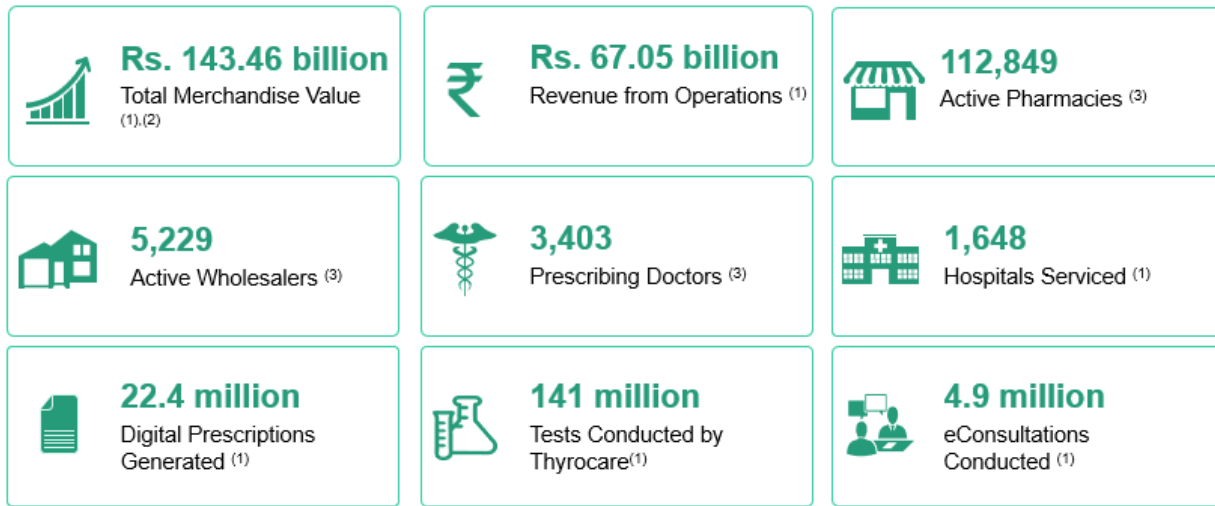
- A. delivering healthcare products including medicines, nutraceuticals, OTC and devices
- B. offering diagnostics and radiology tests, and
- C. offering technology products to stakeholders

Our inhouse supply chain capabilities, custom-built proprietary technology, and deep understanding of India’s healthcare market enable us to provide each stakeholder in the healthcare value-chain, viz.:

- A. channel (wholesalers, retailers and chemists / institutions),
- B. consultants (and hospitals),
- C. consumers, and
- D. companies (pharmaceutical, nutraceutical and others)

with supply chain infrastructure, diagnostics capabilities and technology tools while also enabling them to benefit from an interconnected network. Our platforms have scaled across urban, semi-urban and rural India, with an ability to serve people across income groups and geographies.

We earn revenue through two business segments – Sale of products and Sale of services.



Notes:

1. For the Fiscal year 2023 basis management views
2. We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV)
3. For the month of March 2023

Our Products and Services

We earn revenue through two business segments – sale of products and sale of services.

Sale of Products

Our Pro Forma GMV for sale of products was INR 66,913.89 million in Fiscal 2023. This includes GMV from (i) distribution to retailer and (ii) distribution to chemist/institutions and distribution to Hospitals.

1. Distribution to Retailer

We sell pharmaceutical, OTC, surgical, consumables and private label products procured from pharmaceutical companies, manufacturers, and wholesalers to retailers across the country through a technology powered platform. These retailers are typically registered sellers on PharmEasy marketplace. In Fiscal 2023, this business recorded revenues of INR 15,194.34 million.

2. Distribution to Chemist/Institutions and Distribution to Hospitals

We operate a technology-powered distribution business under which we procure pharmaceutical, OTC, surgical, consumables from pharmaceutical companies and sell to local chemists and institutions, which include large pharmacies, hospitals, doctors, clinics, and medical centers across the country. We sell these products both directly as well as using technology provided by Retailio. We refer to this business as Retailio 1P. In Fiscal 2023 our Retailio 1P business recorded revenues of INR 32,646.08 million.

The growth in the Retailio 1P business has come from strong organic expansion into new cities steadily across the country (tier 2, tier 3 and beyond). In Fiscal 2023, Retailio 1P serviced 1,05,304 pharmacies across 96 cities and in Fiscal 2022 Retailio 1P serviced 83,226 pharmacies.

We strengthened our distribution business to hospitals, clinics and medical centers through the acquisition of 67.30% shareholding of Aknamed effective September 2021. In Fiscal 2023, Aknamed recorded revenues of Rs. 11,996.92 million. Aknamed serviced 1,648 and 1,801 hospitals in Fiscal 2023 and Fiscal 2022 respectively while increasing revenue per hospital in Fiscal 2023 by 46.3% over Fiscal 2022.

With our efforts to improve our sales mix with a higher share of high margin products, our Private Label business revenue contribution to our overall products revenue has increased from 0.7% to 1.4% during this period from Fiscal 2022 to Fiscal 2023

Sale of Services

Our Pro Forma GMV from sale of services was Rs. 76,549.24 million in Fiscal 2023. This includes GMV primarily from (i) diagnostics services and (ii) Retailio 3P GMV.

1. Diagnostic services:

Thyrocare offers a comprehensive portfolio of more than 700+ diagnostics tests through 31 diagnostic labs as of March 2023. We have 20 NABL accredited labs as of March 2023 (vs 6 NABL labs in Fiscal 2022) as we increasingly emphasize on quality. We offer this service to franchise partners, consumers, hospitals, diagnostic companies, and independent phlebotomists. Consumers can avail our diagnostics services by walking into a collection center, calling helplines for home collection, or booking a test online (including through PharmEasy marketplace, Thyrocare's website and other third-party online channels). In Fiscal 2023, Thyrocare processed 22.3 mn non-covid samples.

We also provide diagnostics services to customers on PharmEasy marketplace through PharmEasy Labs and have strengthened the processing capability and geographic reach of this business. In Fiscal 2023, 0.53 million customers transacted on PharmEasy Marketplace to avail diagnostics services offered by our brand PharmEasy Labs.

In Fiscal 2023 our diagnostics business recorded consolidated revenues of INR 5,868.10 million (net of all intercompany adjustments). PharmEasy Labs recorded revenues of INR 1,236.08 mn in Fiscal 2023 thereby growing revenue by 59.7% in Fiscal 2023 over Fiscal 2022. Thyrocare recorded revenues of INR 5,266.72 mn in Fiscal 2023 (grossed for intercompany adjustments between Thyrocare and PharmEasy Diagnostics). While consolidated Thyrocare revenue declined in Fiscal 2023 over Fiscal 2022 owing to rebasing of Covid led business, the non-covid revenue of Thyrocare business has shown growth of 22% in Fiscal 2023 over Fiscal 2022.

2. Retailio 3P Services:

RetailiO provides technology which enables wholesalers and pharmacies to connect and sell a wide range of pharma and other medical products. Retailio is digitising the traditional pharma supply chain (via digital ordering, logistics and payments,) and empowering pharmacies with technology products.

It is available as a mobile app and web application. Retailio provides pharmacies with real time price discovery, inventory visibility and provides technology enabling ordering, confirmation and payments in a digitized, self-serve manner. For the month of March 2023, 112,849 pharmacies and 5,229 wholesalers used Retailio to fulfil their procurement needs. Retailio was used in more than 330 cities across India for the month of March 2023.

In Fiscal 2023 Pro Forma GMV on Retailio (excluding Retailio 1P GMV) was Rs. 70,681.14 million. We refer to this as third party or Retailio 3P GMV.

3. Software services for doctors, consumers, and pharmacies:

We provide EMR and practice management software and teleconsultation tools to doctors through our proprietary software called Docon. We also provide teleconsultation services to customers on Docon mobile application and on PharmEasy marketplace. 22.4 million digital prescriptions were generated during Fiscal 2023 on our platform respectively. Additionally, we facilitated 4.9 million e-Consultations during this period. For the month of March 2023, our technology tools were being used by 3,403 prescribing doctors to digitally engage with their patients.

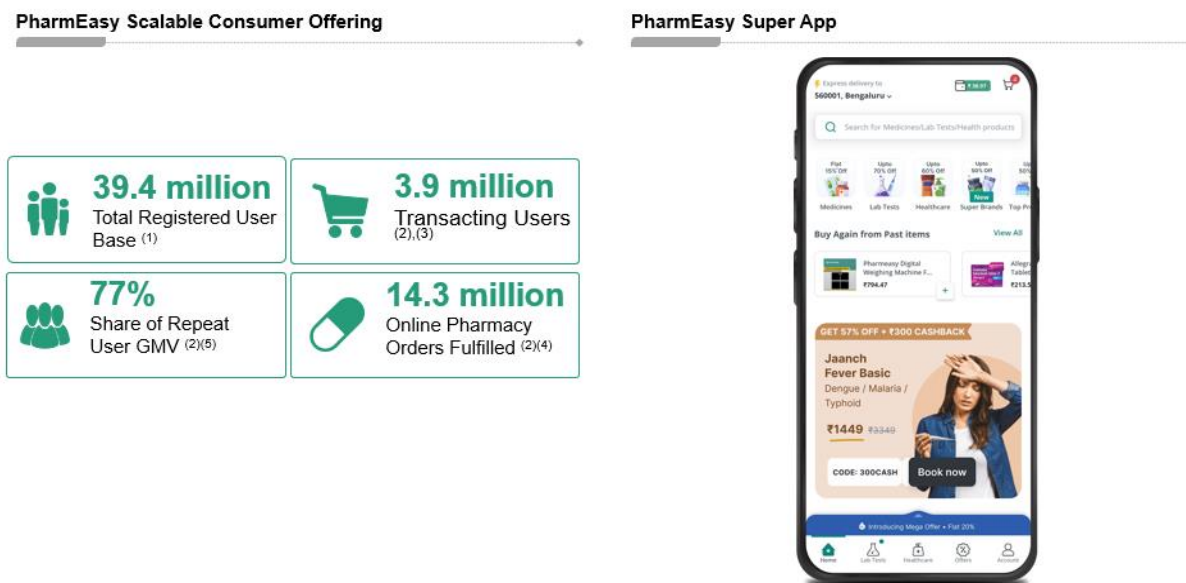
4. Fulfilment and technology services for PharmEasy:

We provide last mile fulfilment services to Axelia Solutions Private Limited for pharmaceutical and OTC products sold on PharmEasy marketplace. We also license the “PharmEasy” brand name and provide franchisor services, such as fulfilment, marketing and digital enablement for franchisee owned and operated offline pharmacies. We serviced more than 17,000 pin-codes across India for the month of March 2023.

Our Relationship with Axelia

We own a 19.99% equity interest in Aarman Solutions Private Limited which owns 100% of Axelia Solutions Private Limited (Axelia). Axelia operates the PharmEasy marketplace (Platform), which is owned by our subsidiary, Threpsi Solutions Private Limited and licensed to Axelia for day-to-day operations of the Platform pursuant to an Amended and Restated Licensing and Services Agreement. PharmEasy is a consumer healthcare “super app” that facilitates providing consumers with on-demand, home delivered access to a wide range of prescription, OTC pharmaceutical, other consumer healthcare products, comprehensive diagnostic test services, and teleconsultations thereby serving their healthcare needs. We own the “PharmEasy” brand, and our proprietary technology powers the PharmEasy marketplace. We have licensed the brand and the Platform to Axelia for day-to-day operations. PharmEasy marketplace had 39.4 million registered users across India as of March 31, 2023. In Fiscal 2023, 14.3 million orders were transacted on the PharmEasy marketplace by 3.9 million unique customers.

Customer targeting and retention are key competitive strengths for PharmEasy marketplace. 77% of PharmEasy marketplace’s GMV for Fiscal 2023 came from repeat users vs 71% in Fiscal 2022.



Notes:

1. As of March 31, 2023 on PharmEasy Marketplace
2. For Fiscal 2023
3. Transacting Users defined as users who have had at least one fulfilled order for the given period on PharmEasy Marketplace
4. Fulfilled orders for the given period on PharmEasy marketplace
5. Only for transactions on PharmEasy marketplace

Building a large product distribution business with a Pan-India Pharmacy and Hospital Network



We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV).

Strong pharmacy engagement on the Retailio platform is allowing our business to drive penetration of distribution business across geographies and increase adoption of our platform technology. Growth in the Aknamed business is deepening our relationship with institutions and expanding our presence in large & small hospitals, nursing homes and medical centers across the country.

Building India's leading diagnostics business leveraging the capabilities of Thyrocare and scaling the unique cross sell opportunity and cost advantages

We provide diagnostics services to customers of PharmEasy marketplace through our brand PharmEasy Labs and have strengthened the processing capability and geographic reach of this business. Thyrocare offers a comprehensive portfolio of more than 700 diagnostics tests through 31 diagnostic labs as of March 31, 2023. We offer this service to franchise partners, consumers, hospitals, diagnostic companies, and independent phlebotomists. Consumers can avail our diagnostics services by walking into a collection center, calling helplines for home collection, booking a test online (including through PharmEasy marketplace, Thyrocare's mobile application and website and other third-party online channels).

In Fiscal 2023 our diagnostics business recorded consolidated revenues of INR 5,868.10 million (net of all intercompany adjustments). PharmEasy Labs recorded revenues of INR 1,236.08 mn in Fiscal 2023 thereby growing revenue by 59.7% in Fiscal 2023 over Fiscal 2022. This growth has been led by significant improvement in cross-sell capabilities of our business. Thyrocare recorded revenues of INR 5,266.72 mn in Fiscal 2023 (grossed for intercompany adjustments between

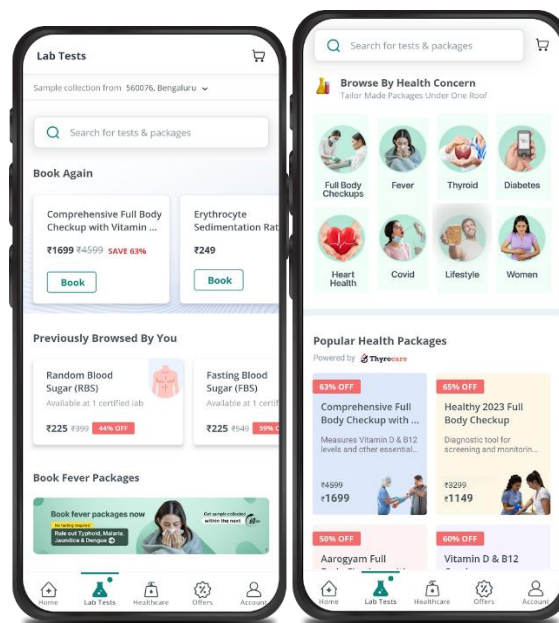
Thyrocare and PharmEasy Diagnostics). While consolidated Thyrocare revenue declined in Fiscal 2023 over Fiscal 2022 owing to rebasing of Covid led business, the non-covid revenue of Thyrocare business has shown growth of 22% in Fiscal 2023 over Fiscal 2022.

Key Operational Data of Thyrocare	Unit	For Fiscal 2022	For Fiscal 2023
Patient Served	millions	16.3	15 (non-covid)
Samples Processed	millions	21.1	22.3 (non-covid)
Number of labs	#	26	31
Tests offered	#	700+	700+

Key Operational Data for PharmEasy Labs	Unit	For Fiscal 2022	For Fiscal 2023
Customers who availed diagnostics services on PharmEasy Marketplace	millions	0.52	0.53
Cross Sell %	%	9.6%	13.8%

In Fiscal 2023, 0.53 million customers availed diagnostics services on PharmEasy which constitute 13.8% of the total consumers who transacted on PharmEasy marketplace to purchase healthcare products. We call this 13.8% our cross-sell % metric for the diagnostics business of PharmEasy.

App Screenshots of Diagnostics Services:



Gross Merchandise Value in Fiscal 2023 and Quarter ended June 2023

Gross Merchandise Value ⁽¹⁾	Unit	As of and For Fiscal 2023	As of and For Quarter ended June 2023
Distribution to Retailers	₹ million	17,039.53	2,759.81
Distribution to Chemist / Institution (Retailio 1P)	₹ million	36,610.17	8,665.01
Distribution to Hospitals (Aknamed)	₹ million	13,264.19	3,108.58
Retailio 3P	₹ million	70,681.14	12,850.18
Thyrocare ⁽²⁾	₹ million	4,632.02	1,209.54
API diagnostics	₹ million	1,236.08	282.26
Total	₹ million	1,43,463.14	28,875.38

Notes:

1. We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV)

2. Net of intercompany adjustments

Net Revenue for Fiscal 2022, Fiscal 2023 and Quarter ended June 2023

Revenue ⁽¹⁾	Unit	Fiscal 2022		Fiscal 2023	Quarter ended June 2023
		Audited Financials	Pro Forma View	Financials	Financials
Sale of Products	₹ million	52,282.28	55,939.32	59,839.34	13,709.86
Distribution to Retailer	₹ million	18,834.76	18,834.76	15,194.34	2,620.35
Distribution to Chemist / Institution (Retailio 1P)	₹ million	28,217.17	28,143.17	32,646.08	7,587.56
Distribution to Hospitals (Aknamed)	₹ million	5,230.36	8,961.40	11,996.92	2,871.95
Sale of Services	₹ million	5,005.93	7,896.98	7,211.85	1,632.34
Thyrocare	₹ million	2,920.86	5,795.36	4,632.02	1,209.54
API diagnostics	₹ million	773.83	773.83	1,236.08	282.26

Revenue ⁽¹⁾		Fiscal 2022		Fiscal 2023	Quarter ended June 2023
	Unit	Audited Financials	Pro Forma View	Financials	Financials
Other services	₹ million	1,311.24	1,327.79	1,343.75	140.54
Total	₹ million	57,288.21	63,836.30	67,051.19	14,712.20

1. *Revenue is net of intercompany sales*

Contribution Margin before sales promotion and marketing expense

Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the “Direct Operating Costs”) as a Percentage of Revenue from Operations.

Warehousing and Lab Cost represents the sum of the expenses incurred at warehouses and diagnostics labs, including a portion of employee benefits expense (relating to warehouse employee salaries) and a portion of other expenses, such as manpower charges, contractual payment for delivery associates, water, electricity and fuel expenses and repairs and maintenance.

Other Direct Cost is the sum of other direct operating expenses, and includes a portion of employee benefits expenses (relating to customer support employee salaries) and a portion of other expenses, including the consumption of packing materials and consumables, service charges (relating to phlebotomist costs, lab technician cost), and legal and professional fees (relating to doctor consultation charges and diagnostics) but does not include technology related costs, both direct and indirect costs including employee benefit expenses.

The Pro Forma Contribution Margin before sales promotion and marketing expense was 5.0% and 5.1% for Fiscal 2022 and Fiscal 2023, respectively. The Pro Forma Contribution Margin increased to 7.7% for Quarter ended June 2023 on the back of improvements in Gross Margin and reduction in direct and operating costs across both our sale of products and sale of services segments.

The following table presents the Contribution Margin before sales promotion and marketing expense and each of the costs that form part of Direct Operating Costs as a Percentage of Revenue from Operations for Fiscal 2022, Fiscal 2023 and Quarter ended June 2023:

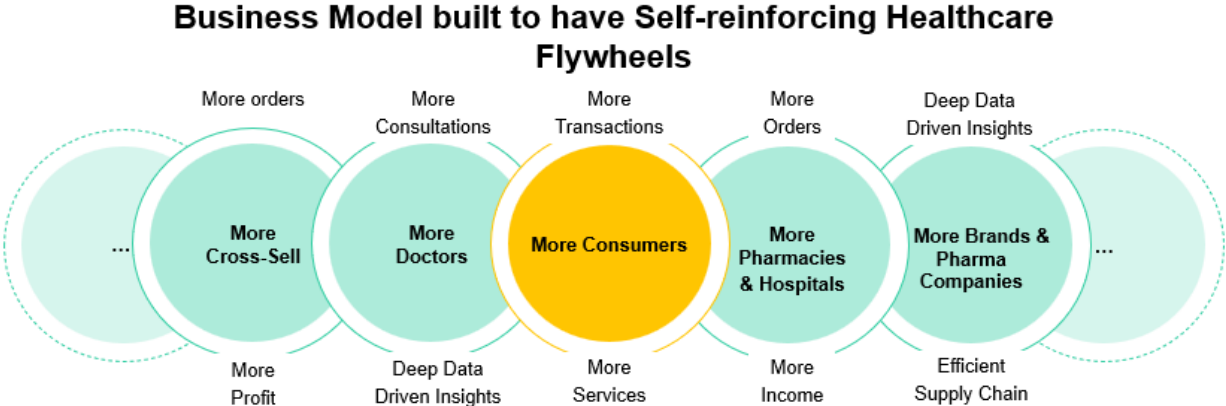
Contribution Margin	Fiscal 2022 (Pro Forma)		Fiscal 2023		Quarter ended June 2023	
	Rs. In million	% of Revenue from Operations	Rs. In million	% of Revenue from Operations	Rs. In million	% of Revenue from Operations
Revenue from Operations (A)	63,836.30	100.0%	67,051.19	100.0%	14,712.20	100.0%
Cost of Material Consumed (B)	1,662.50	2.6%	1,569.22	2.3%	372.98	2.5%
Purchases of Stock-in-Trade (C)	55,864.32	87.5%	55,504.34	82.8%	10,717.03	72.8%
Changes in Inventories of Stock-in-Trade (D)	(2,335.49)	(3.7%)	609.47	0.9%	1,211.62	8.2%
Warehousing and Lab Cost (E)	4,222.60	6.6%	3,689.85	5.5%	852.17	5.8%
Other Direct Cost (F)	1,241.41	1.9%	2,257.53	3.4%	429.24	2.9%
Direct Operating Costs (G=B+C+D+E+F)	60,655.34	95.0%	63,630.40	94.9%	13,583.05	92.3%
Contribution Margin before sales promotion and marketing expense(H=A-G)	3,180.96	5.0%	3,420.79	5.1%	1,129.15	7.7%

Integrated business model with stakeholder relationships across the healthcare value chain

Through our full stack connected presence across the healthcare value chain, we have entered into relationships with stakeholders across the value chain leading to network effects. Our value proposition for all stakeholders creates multiple self-reinforcing flywheels. Across our platform, we serviced 5,229 wholesalers, 112,849 pharmacies, and 3,403 prescribing doctors and clinics for the month of March 2023 and 1,648 hospitals for the Fiscal 2023. The scale of our platform, the breadth of our relationships with other stakeholders, and our expandable tech-ops infrastructure enable us to scale rapidly.

Through an expansive service offering on PharmEasy marketplace, consumers who avail our teleconsultation services are able to fulfil their prescriptions through the PharmEasy marketplace, while users on the PharmEasy marketplace are also potential customers for teleconsultations and diagnostic test services. We seek to leverage our connected platforms and user experience to migrate users to more expansive healthcare services such as diagnostics. For example, in Fiscal 2023 a 0.53 million customers availed the diagnostics services on PharmEasy Marketplace, whereas 3.9 million customers transacted on PharmEasy marketplace in Fiscal 2023.

This enables us to contribute value across the value chain. Additionally, as our various stakeholders grow their operations, our technology platform gathers more data points that feed into our data and insights platform, which drive better algorithms and in turn help us and our stakeholders to grow further. Our integrated, technology-first business model enables multiple self-reinforcing flywheels, as exhibited below:



Our Strategies and Key Areas of Focus

Fiscal 2023 was a year during which we focussed our efforts to significantly improve the strength of our P&L across our businesses. We reduced our losses and took the business close to breakeven. The business is now steered on a steady path to sustained profitability. We achieved this on the back of a clear execution roadmap based on following:

Significantly accelerating our path to profitability to enable our businesses grow sustainably

- During Fiscal 2023 and Quarter ended 2023 we have focused our efforts in improving our profitability by targeting the right customer segments that contribute to better economics and efficiencies across our operating, marketing, and other costs.

- Repurposed our marketing and growth expenses to focus on increasing revenue from existing customers. These expenses reduced as a % of revenue from 7.9% in Fiscal 2022 to 3.3% in Fiscal 2023 and to 0.6% of revenue in Quarter ended June 2023.
- Increasing share of our margin accretive private label in our products business from 0.7% to 1.4% during this period from Fiscal 2022 to Fiscal 2023.
- Improved capacity utilization of our fulfilment and warehousing infrastructure by rationalizing & integrating supply chain across the country.
- In Fiscal 2023, we grew our diagnostics business of PharmEasy Labs by significantly improving our cross-sell % share in the business.
- Significant savings were realized in our employee benefit expenses as we brought synergies across our businesses by streamlining organisation structure.
- Our Adjusted EBITDA margins significantly improved from -13.6% in Fiscal 2022 to -8.4% in Fiscal 2023 and to +1.5% in Quarter ended June 2023.

Further building on our cross-sell capabilities to increase our services' offerings

- The growth of our platform is envisioned along multiple dimensions – more stakeholders, more customers, more use-cases, more products, more services, and higher frequency. While we have built scale and reach in our product business, we are now also investing significantly in enhancing our cross-sell capabilities to offer high margin services to customers across our businesses. We will continue to invest in strengthening our capabilities and network to offer more healthcare services across our businesses.
- Our diagnostics business on PharmEasy marketplace has grown on the back of focused execution of our cross-sell strategy. In Fiscal 2023, 0.5 million customers availed diagnostics services which constitutes of 13.8% of the total consumers who transacted on PharmEasy marketplace.
- Thyrocare business has now fully recovered from the Covid led sectoral growth in Fiscal 2021 & Fiscal 2022 and is now growing its non-covid business across geographies. Thyrocare revenue & sample growth of non-covid business has grown +22% (non-covid revenue growth), +39% (sample growth) in Fiscal 2023 over Fiscal 2022.

Further building on improving our cost structures and driving efficiencies across our businesses through an integrated network infrastructure –

- As we build on improving our costs structures while scaling our business, we are striving to build a truly integrated network infrastructure. We are rolling out initiatives to standardize and consolidate our supply chain operations aiming at common fulfilment capabilities across businesses.
- Standardization of our fulfilment operations and technology architecture will enable significant efficiencies enabling us to build long term agility and flexibility within our company.

Building an integrated all-in-one healthcare platform for every healthcare ecosystem stakeholder

We believe that connecting different parts of the healthcare ecosystem is central to creating value for all stakeholders. To this end, we have, and will continue to, invest in processes, technologies and people to progressively create a more connected and integrated platform. While we already offer a wide range of products and services, we see vast potential of greater integration across both our own offerings and with the rest of the healthcare industry, using our data & technology stack. We expect our platform model to, over time, lead to lower operating costs and therefore improving operating margins.

Key terms and definitions used

Term	Description
Active Pharmacy	A pharmacy that has transacted at least once using technology from Retailio during the relevant period as an active pharmacy for such period
Annual Transacting Users	Unique users with at least one successful transaction in any particular period of 12 months
EMR	Electronic medical records
GMV	(i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio, grossed up for applicable taxes (excluding Retailio 1P GMV)
OTC	Over-the-counter medication
Pro Forma GMV	Pro Forma GMV is an operational metric and includes the GMV contribution from our acquisitions of Ascent, Medlife, Aknamed and Thyrocare as if these were acquired on April 1, 2020.
Retailio 1P GMV	Revenue from sale of products from distribution to chemists/institutions grossed up for applicable taxes.
Retailio 3P GMV	Retailio 3P GMV is the GMV of products transacted using Retailio, grossed up for applicable taxes (excluding Retailio 1P GMV).

PART 3: DETAILS OF THE CAPITAL STRUCTURE OF THE COMPANY

A. Authorised, issued and paid up capital of the Company

Sr. No.	Particulars	Aggregate value at face value
I	AUTHORISED SHARE CAPITAL	
	3000,00,00,000 Equity Shares (having face value of ₹ 1 each)	3000,00,00,000
	500,00,00,000 Preference Shares (having face value of ₹ 1 each)	500,00,00,000
	Total	3500,00,00,000
II	ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL	
	614,20,41,070 Equity Shares (having face value of ₹ 1 each, fully paid-up)	614,20,41,070
	548,34,727 Series A Compulsorily Convertible Preference Shares (having face value of ₹ 1 each, fully paid-up)	5,48,34,727

B. The details of the existing share capital of the Company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.

1. Equity Share Capital

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
March 31, 2019	10,000	10	10	Subscription to the Memorandum of Association	Cash	10,000	100,000
August 27, 2020	868,337	10	10	Allotment pursuant to Merger 2020	Other than cash	868,337 [#]	8,683,370

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
February 12, 2021	22,814,598	10	-	Bonus issuance of 2 equity shares for each fully paid-up equity share and preference share held as by shareholders as on February 10, 2021	NA	23,682,935	236,829,350
March 1, 2021	1,287,072	10	1,867	Preferential allotment	Cash	24,970,007	249,700,070
March 10, 2021	407,190	10	1,867	Preferential allotment	Cash	25,377,197	253,771,970
March 19, 2021	178,192	10	607.96	Conversion of warrants	Cash	25,555,389	255,553,890
March 25, 2021	40,170	10	1481.10	Conversion of CCDs	NA*	25,595,559	255,955,590
March 26, 2021	24,561	10	1481.10	Conversion of CCDs	NA*	25,620,120	256,201,200
April 5, 2021	3,734,878	10	2,000.33	Preferential allotment	Cash	29,354,998	293,549,980
May 20, 2021	172,173	10	2,000.33	Preferential allotment	Cash	29,527,171	295,271,710
June 2, 2021	159,018	10	2,515.77	Preferential allotment	Cash	29,686,189	296,861,890 [^]

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
July 1, 2021	652,217	10	2,515.77	Preferential allotment	Cash	30,338,406	303,384,060^^
July 1, 2021	425,103	10	1481.10	Conversion of CCDs	NA*	30,763,509	307,635,090
July 24, 2021	4,200	10	NA	Conversion of Optionally Convertible Redeemable Debentures	NA	30,767,709	307,677,090
August 13, 2021	231,652	10	5,396	Preferential allotment	Cash	30,999,361	309,993,610
August 13, 2021	127,875	10	1481.10	Conversion of CCDs	NA*	31,127,236	311,272,360
August 21, 2021	1,424,385	10	5,396	Preferential allotment	Cash	32,551,621	325,516,210
September 2, 2021	1,853,224	10	5,396	Preferential allotment	Cash	34,404,845	344,048,450
September 04, 2021	30	10	1481.10	Conversion of CCDs	NA*	34,404,875	344,048,750
September 06, 2021	31,504	10	NA	Conversion of CCPS-XXIV	NA**	34,436,379	344,363,790
September 15, 2021	153,450	10	1481.10	Conversion of CCDs	NA*	34,589,829	345,898,290
September 16, 2021	310,968	10	5,396	Preferential allotment	Cash	34,900,797	349,007,970
September 20, 2021	224,740	10	5,865	Preferential allotment	Cash	35,125,537	351,255,370

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
September 28, 2021	401,712	10	NA	Conversion of CCDs	NA*	35,527,249	355,272,490
September 30, 2021	1,460,874	10	1481.10	Conversion of CCDs	NA*	36,988,123	369,881,230
October 9, 2021	1,229,153	10	5,900	Preferential allotment	Cash	38,217,276	382,172,760
October 13, 2021	378,362	10	5,900	Preferential allotment	Cash	38,595,638	385,956,380
October 20, 2021	556,610	10	5,900	Preferential allotment	Cash	39,152,248	391,522,480
October 20, 2021	11,103	10	10	Allotment pursuant to ESOP Plan 2020	Cash	39,163,351	391,633,510
October 20, 2021	40,748	10	440.99	Allotment pursuant to ESOP Plan 2020	Cash	39,204,099	392,040,990
October 26, 2021	16,233,264	10	NA	Conversion of CCPS	NA** *	55,437,363	554,373,630
October 29, 2021	554,373,630	10	NA	Bonus issuance of 10 equity shares for each fully paid-up equity share held by Shareholders as on record date	NA	609,810,993	6,098,109,930

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
				October 28, 2021			
October 29, 2021	Pursuant to a resolution passed by our Board on October 13, 2021 and a resolution passed by our Shareholders in the EGM held on October 13, 2021, our Company has subdivided its share capital from face value of ₹10 each to face value of ₹ 1 each, held by shareholders of the Company, as on the record date i.e. October 29, 2021.					6,098,109,930	6,098,109,930
November 29, 2021	3,993,740	1	4.207	Allotment pursuant to ESOP Plan 2020	Cash	6,102,103,670	6,102,103,670
November 29, 2021	39,937,400	1	NA	Allotment on account of adjustment made to ESOPs pursuant to bonus issuance of equity shares of the Company as approved by a resolution passed by our Shareholders in the EGM held on	NA	6,142,041,070	6,142,041,070

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
				October 13, 2021			

[#]Pursuant to the order dated June 8, 2020 passed by the National Company Law Tribunal, Special Bench at Mumbai, in regard to Merger 2020, 10,000 equity shares held by Shareholders prior to August 27, 2020 stood cancelled.

^{*}The CCD having face value of ₹ 4,443.31/- per CCD was partly paid to the extent of ₹ 1 per CCD at the time of allotment and the balance of ₹ 4,442.31/- per CCD was paid prior to conversion into equity shares, further the issue price per equity shares is approx. ₹ 1481.10/- pursuant to the conversion ratio of 3 equity shares per CCD held by the relevant CCD holders.

^{**} CCPS-XXIV was fully paid up in cash at the time of allotment.

^{***} Except for (a) allotments pursuant to the conversion of CCPS series I, II, III, IV, V, VIII, IX, X, XI which were allotted pursuant to Merger 2020; (b) allotments of CCPS series XVI, XVI-A, XVII and XVIII pursuant to the securities subscription agreement dated December 16, 2020 which was subsequently amended on December 30, 2020; and (c) allotment of CCPS series XII, XIII and XIV which were allotted pursuant to conversion of CCD series I, II, and III; (d) CCPS series VI which were partly paid at the time of allotment pursuant to Merger 2020 and were made fully paid-up on January 14, 2021; and (e) CCPS series VII which were allotted pursuant to the exercise of warrants, cash was paid at the time of allotment for other series of CCPS.

Merger 2020 refers to the scheme of amalgamation between Thea Technologies Private Limited, Swifto Services Private Limited, 91Streets Media Technologies Private Limited, Ascent Health and Wellness Solutions Private Limited, Aahaan Commercials Private Limited and Lokprakash Vidhya Private Limited and their respective shareholders with the Company, approved by the National Company Law Tribunal, Mumbai bench, vide its order pronounced on June 8, 2020 (certified true copy of the order received on July 2, 2020), which was made effective on August 27, 2020.

[^] Cash of approx. ₹ 125.79 was paid at the time of allotment and the balance of approx. ₹ 2,389.98 was paid on August 13, 2021.

^{^^} Cash of approx. ₹ 125.79 was paid at the time of allotment and the balance of approx. ₹ 2,389.98 was paid on July 24, 2021.

2. Preference Share Capital:

Date of allotment of equity shares	Number of shares allotted	Face value per share (in ₹)	Issue price per share (approx. in ₹)	Nature of allotment	Nature of consideration	Cumulative number of shares	Cumulative paid-up share capital
September 29, 2022	1,95,89,566	1	100	Rights Issue	Cash	1,95,89,566	1,95,89,566
November 4, 2022	2,52,18,791	1	100	Rights Issue	Cash	4,48,08,357	4,48,08,357
November 15, 2022	1,00,26,370	1	100	Rights Issue	Cash	5,48,34,727	5,48,34,727

PART 4: OUR FINANCIAL PERFORMANCE

Our financial year ends on March 31 of each year. Accordingly, references to “Fiscal 2023” and “Financial Year 2023” are to the 12-month period ended March 31, 2023. Also, references to “Fiscal 2022” and “Financial Year 2022” are to the 12-month period ended March 31, 2022. All references in this section to “we”, “us” or “our” shall refer to our Company together with our subsidiaries on a consolidated basis. The reference to Pro forma financial information for Fiscal 2022 is based on the management views and assumes the acquisitions of Akna Medical Private Limited and Thyrocare Technologies Limited as if these were acquired on April 1, 2021 by our Company.

We have two revenue lines: (i) Sale of products and (ii) Sale of services.

Revenue

Revenue from Sale of Products

We sell pharma, OTC, our private label medical products, surgical products and consumables which we source from pharmaceutical companies or from wholesalers to retailers, chemists, hospitals and institutions. We segregate revenue from sale of these products into three categories: (i) Distribution to chemists and institutions, which typically include pharmacies and institutions to whom we sell products, both directly as well as using technology provided by Retailio, (ii) Distribution to retailers, which are typically registered sellers on the PharmEasy marketplace and (iii) Distribution to hospitals, which are typically includes hospitals to whom we sell products.

Revenue from sale of products is recorded as realization of sale value of goods net of any discounts and taxes.

Revenue from Sale of Services

We derive revenue from sale of services from the following:

Diagnostics: We provide diagnostic services to hospitals, diagnostic companies, independent phlebotomists and consumers including on PharmEasy marketplace. We strengthened this business through the acquisition of Thyrocare in September 2021. Thyrocare offers a comprehensive portfolio of more than 700 diagnostics tests through 31 diagnostics labs as of March 2023. Our rate card for tests varies based on the sourcing channel, the test type and the volume. As a result of this acquisition, we expect to derive a significant portion of our revenue

from sale of services from diagnostics services.

Retailio 3P: We derive revenues through advertisements and lead generation. We currently do not charge any take-rate on the third-party GMV generated using technology provided by Retailio.

Services for doctors, software and others: We provide teleconsultation tools to doctors. We currently do not charge any take-rate on the online consultation charges earned by doctors through our platform. Pursuant to the licensing agreement between our Company and Axelia for use of the technology platform underlying the PharmEasy marketplace and related brand, we receive a percentage of the GMV transacted on the PharmEasy marketplace on a monthly basis.

Logistics: We provide last-mile delivery services, including to Axelia for fulfilling the orders on the PharmEasy marketplace and earn delivery income for this service.

Expenses

Our major expenses include (i) purchase of stock-in-trade and changes in inventories in stock-in-trade, (ii) employee benefits expense, (iii) sales promotion and marketing expense and (iv) certain other expenses such as manpower charges, contractual payment for delivery associates, information technology expenses and consumption of packing materials and consumables. Purchase of stock-in-trade is the purchase price of the products procured from pharmaceutical companies and wholesalers. Changes in inventories in stock-in-trade for a fiscal period relate to the difference in the opening stock and the closing stock of products owned by us during such fiscal period.

Employee benefits expenses include salaries, wages and allowances that we pay to our employees, and employee share-based payment expenses.

Sales promotion and marketing expenses comprise cost incurred to attract new and retain existing healthcare ecosystem stakeholders to our platform. These include digital marketing, print and television advertisements, affiliate marketing, brand promotion, and related expenses for promoting our various brands, including the PharmEasy brand that we have licensed to Axelia.

Other expenses primarily include manpower charges, information technology expenses, contractual payment for delivery associates, and consumption of packing materials and consumables. Manpower charges, contractual payment for delivery associates and consumption of packing materials and consumables primarily relate to costs associated with our warehousing and logistics operations.

Pro Forma Gross Merchandise Value (GMV)

Growth in Pro Forma GMV is a key driver of our revenue. Our Pro Forma GMV was ₹1,34,576.43 million in Fiscal 2022, ₹1,43,563.14 million in Fiscal 2023 and ₹28,875.38 million in Quarter ended June 2023. We define GMV as follows: (i) for our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV).

Below table provides a breakdown of our Pro Forma GMV across products and services:

₹ In million

Pro Forma GMV (1)	Unit	Fiscal 2022	Fiscal 2023	Quarter ended June 2023
Distribution to Retailers	₹ million	21,143.60	17,039.53	2,759.81
Distribution to Chemist / Institution (Retailio 1P)	₹ million	31,893.41	36,610.17	8,665.01
Distribution to Hospitals (Aknamed)	₹ million	10,029.62	13,264.19	3,108.58
Retailio 3P	₹ million	64,940.61	70,681.14	12,850.18
Thyrocare diagnostics ⁽²⁾	₹ million	5,795.35	4,632.02	1,209.54
API diagnostics	₹ million	773.83	1,236.08	282.26
Total	₹ million	1,34,576.43	1,43,463.14	28,875.38

1. We define GMV as follows: (i) For our products and services (other than Retailio 3P), GMV refers to our revenue for such products and services as per our books of accounts, grossed up for applicable taxes, (ii) for Retailio 3P, GMV refers to the gross merchandise value of products and services transacted using Retailio (excluding Retailio 1P GMV)

2. Net of intercompany adjustments

Pro Forma GMV from Distribution to Chemists and Institutions and from Distribution to Hospitals

Our Pro Forma GMV from distribution to chemists and institutions (which we also refer to as first party or 1P GMV) has increased to ₹36,610.17 million in Fiscal 2023 from ₹31,893.41 million in Fiscal 2022 on account of rising number of active pharmacies transacting using Retailio, as well as an increase in our wallet share with existing pharmacies on Retailio. The growth in the Retailio 1P business has come from strong organic expansion into new cities steadily across the country (tier 2, tier 3 and beyond). In Fiscal 2023, Retailio 1P serviced 1,05,304 pharmacies across 96 cities and in Fiscal 2022 Retailio 1P serviced 83,226 pharmacies.

We strengthened our distribution business to hospitals, clinics and medical centers through the acquisition of 67.30% shareholding of Aknamed effective September 2021. In Fiscal 2023, Aknamed recorded revenues of Rs. 11,996.92 million. Aknamed serviced 1,648 and 1,801 hospitals in Fiscal 2023 and Fiscal 2022 respectively while increasing revenue per hospital in Fiscal 2023 by 46.3% over Fiscal 2022.

Pro Forma GMV from Retailio 3P

The GMV from third-party distribution of pharma and OTC products to chemists and institutions on Retailio, which we refer to as third party or 3P GMV, has increased over the past two years. We currently do not charge any take-rate on the third- party GMV generated using technology from Retailio and only derive revenues through advertisements and lead generation on Retailio. For the month of March 2023, 112,849 pharmacies and 5,229 wholesalers used Retailio to fulfil their procurement needs. Retailio was used in more than 330 cities across India for the month of March 2023.

Pro Forma GMV from Distribution to Retailers

Our Pro Forma GMV from distribution to retailers has decreased to ₹17,039.53 million in Fiscal 2023 from ₹21,143.60 million in Fiscal 2022. We sell pharmaceutical, OTC, surgical, consumables and private label products procured from pharmaceutical companies, manufacturers, and wholesalers to retailers across the country through a technology powered platform. These retailers are typically registered sellers on PharmEasy marketplace. In Fiscal 2023, 14.3 million orders were transacted on the PharmEasy marketplace by 3.9 million unique customers.

Cross-selling and up-selling of our products and services

We continue to build an integrated platform with a full suite of product and service offerings to cater to multiple healthcare- related needs of different stakeholders in the healthcare ecosystem. While new stakeholders are attracted to our platform through a particular product or service, our integrated platform enables us to cross-sell more products and services to stakeholders. Furthermore, we have also been able to increase the revenue from existing stakeholders by up selling our products and services.

Operating Leverage and Profitability of our Platform

Our growth in scale, coupled with the rising level of integration across our businesses, has provided us with (i) improvement in costs of sales, driven by our ability to procure products at more competitive prices from our suppliers such as pharmaceutical companies and distributors, (ii) higher utilization of our manpower, supply-chain infrastructure and other assets, (iii) rationalizing of sales promotion and marketing costs, and (iv) rationalization in our other costs such as our technology, administrative and other support costs. This operating leverage with growing scale is a key driver of improvement in profitability.

Results of Operations

The following table sets forth select financial data from our consolidated statement of profit and loss for Fiscal 2022, Fiscal 2023 and Quarter Ended June 2023, the components of which are also expressed as a percentage of revenue from operations for such years.

<i>Consolidated Profit and Loss Account</i>	<i>Fiscal 2022</i>		<i>Fiscal 2023*</i>		<i>Quarter ended June 2023*</i>	
	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>
<i>Income</i>						
Revenue from operations						
Revenue from sale of Goods	52,299.16	91.3%	59,839.34	89.2%	13,079.86	88.9%
Revenue from sale of Services	4,178.04	7.3%	7,109.86	10.6%	1,615.87	11.0%
Other operating revenue	811.01	1.4%	101.99	0.2%	16.47	0.1%
Revenue from operations	57,288.21	100.0%	67,051.19	100.0%	14,712.20	100.0%

<i>Consolidated Profit and Loss Account</i>	<i>Fiscal 2022</i>		<i>Fiscal 2023*</i>		<i>Quarter ended June 2023*</i>	
	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>
Other income	521.81	0.9%	478.37	0.7%	55.52	0.4%
Total income	57,810.02	100.9%	67,529.56	100.7%	14,767.72	100.4%
Expenses						
Cost of Material Consumed	854.60	1.5%	1,569.22	2.3%	372.98	2.5%
Purchase of stock in trade	52,566.12	91.8%	55,504.34	82.8%	10,717.03	72.8%
Changes in inventories of stock in trade	(2,290.53)	(4.0%)	609.47	0.9%	1,211.62	8.2%
Employee benefits expense **	14,589.71	25.5%	15,685.28	23.4%	4,549.56	30.9%
Finance costs	2,582.64	4.5%	5,202.80	7.8%	1,455.49	9.9%
Depreciation and amortisation expenses	1,587.85	2.8%	2,397.27	3.6%	560.93	3.8%
Other expenses	15,025.51	26.2%	9,384.27	14.0%	1,238.30	8.4%
Total expenses	84,915.90	148.2%	90,352.65	134.8%	20,105.91	136.7%
Loss before share of profit/(loss) of an associate, exceptional items and tax	(27,105.88)	(47.3%)	(22,823.09)	(34.0%)	(5,338.19)	(36.3%)
Share of loss of an associate, net of tax	6.61	0.0%	7.24	0.0%	0.22	0.0%
Exceptional Items	(12,608.43)	(22.0%)	1.47	0.0%	0.01	0.0%
Loss before tax	(39,707.70)	(69.3%)	(22,814.38)	(34.0%)	(5,337.96)	(36.3%)
Tax expense						
Current tax	342.74	0.6%	377.36	0.6%	94.43	0.6%
Deferred tax/ (credit)	(125.48)	(0.2%)	(423.76)	(0.6%)	(53.91)	(0.4%)
Tax expense pertaining to prior periods			0.69	0.0%	0	0%
Total tax expense/ (credit)	217.26	0.4%	(45.71)	(0.1%)	40.52	0.3%
Loss for the year/ period	(39,924.96)	(69.7%)	(22,768.67)	(34.0%)	(5,378.48)	(36.6%)

* The numbers for Fiscal 2023 and Quarter Ended June 2023 are provisional and unaudited

** (1) Employee benefit expenses include Share based compensation expense of ₹3,205.83 million in Quarter Ended June 2023, ₹9,106.77 million in Fiscal 2023 and INR 6,300.45 million in Fiscal 2022. (2) ESOP expenses are calculated assuming per share valuation of the ESOPs at INR 52.81. per share. As an illustration, if 100 ESOPs are vested in this period at an exercise price of INR 1 per share, a charge of (52.81-1) x 100 = INR 5181 is taken. This is as per the Indian Accounting Standard. In case we calculate the expense based on new FMV of the company INR 4.84 per share, charge to profit and loss account for FY 23 becomes INR 248.4 Million instead of current charge of INR 9106.77 Million.

Pro Forma Results of Operations

The following table sets forth select financial data from our Pro Forma consolidated pro forma statement of profit and loss for Fiscal 2022, Fiscal 2023 and Quarter Ended June 2023, the components of which are also expressed as a percentage of revenue from operations for such years.

<i>Financial Performance</i>	<i>Management view Fiscal 2022***</i>		<i>Management view Fiscal 2023*</i>		<i>Quarter ended June 2023*</i>	
	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>	<i>₹ In million</i>	<i>% of revenue from operations</i>
<i>Income</i>						
Revenue from operations						
Revenue from sale of Goods	56,003.53	87.7%	59,839.34	89.2%	13,079.86	88.9%
Revenue from sale of Services	7,832.77	12.3%	7,109.86	10.6%	1,615.87	11.0%
Other operating revenue			101.99	0.2%	16.47	0.1%
Revenue from operations	63,836.30	100.0%	67,051.19	100.0%	14,712.20	100.0%
Other income	774.28	1.2%	478.37	0.7%	55.52	0.4%
Total income	64,610.58	101.2%	67,529.56	100.7%	14,767.72	100.4%
<i>Expenses</i>						
Cost of Material Consumed	1,662.50	2.6%	1,569.22	2.3%	372.98	2.5%
Purchase of stock in trade	55,864.32	87.5%	55,504.34	82.8%	10,717.03	72.8%
Changes in inventories of stock in trade	(2,335.49)	(3.7%)	609.47	0.9%	1,211.62	8.2%
Employee benefits expense**	14,990.94	23.5%	15,685.28	23.4%	4,549.56	30.9%
Finance costs	4,015.50	6.3%	5,202.80	7.8%	1,455.49	9.9%
Depreciation and amortisation expenses	2,067.45	3.2%	2,397.27	3.6%	560.93	3.8%
Other expenses	15,668.95	24.5%	9,384.27	14.0%	1,238.30	8.4%
Total expenses	91,934.17	144.0%	90,352.65	134.8%	20,105.91	136.7%
Loss before share of profit/(loss) of an associate, exceptional items and tax	(27,323.59)	(42.8%)	(22,823.09)	(34.0%)	(5,338.19)	(36.3%)
Share of loss of an associate, net of tax	4.06	0.0%	7.24	0.0%	0.22	0.0%
Exceptional Items	(12,752.70)	(20.0%)	1.47	0.0%	0.01	0.0%
Loss before tax	(40,072.23)	(62.8%)	(22,814.38)	(34.0%)	(5,337.96)	(36.3%)
<i>Tax expense</i>						
Current tax	709.35	1.1%	377.36	0.6%	94.43	0.6%
Deferred tax/ (credit)	(245.63)	(0.4%)	(423.76)	(0.6%)	(53.91)	(0.4%)

Financial Performance	Management view Fiscal 2022***		Management view Fiscal 2023*		Quarter ended June 2023*	
	₹ In million	% of revenue from operations	₹ In million	% of revenue from operations	₹ In million	% of revenue from operations
Tax expense pertaining to prior periods			0.69	0.0%	0	0%
Total tax expense/ (credit)	463.72	0.7%	(45.71)	(0.1%)	40.52	0.3%
Loss for the year/ period	(40,535.9 5)	(63.5%)	(22,768.6 7)	(34.0%)	(5,378.48)	(36.6%)

* The numbers for Fiscal 2023 and Quarter Ended June 2023 are unaudited

** (1) Employee benefit expenses include Share based compensation expense of ₹3,205.83 million in Quarter Ended June 2023, ₹9,106.77 million in Fiscal 2023 and ₹6,332.45 million in Fiscal 2022. (2) ESOP expenses are calculated assuming per share valuation of the ESOPs at INR 52.81. per share. As an illustration, if 100 ESOPs are vested in this period at an exercise price of INR 1 per share, a charge of $(52.81-1) \times 100 = \text{INR } 5181$ is taken. This is as per the Indian Accounting Standard. In case we calculate the expense based on new FMV of the company INR 4.84 per share, charge to profit and loss account for FY 23 becomes INR 248.4 Million instead of current charge of INR 9106.77 Million.*** The numbers for Fiscal 2022 are pro forma

Note: Based on management views of pro forma financial information and assumes the acquisitions of Akna Medical Private Limited and Thyrocare Technologies Limited as if these were acquired on April 1, 2021 by our Company

Pro Forma Fiscal 2023 performance compared to Pro Forma Fiscal 2022.

The Pro Forma consolidated statement of profit and loss for the year ended March 31, 2023 and March 31, 2022. have been prepared as if the acquisitions have taken place on April 1, 2022 and April 1, 2021 respectively.

Income

Our revenue from operations increased by 5.0% to ₹67,051.20 million in Fiscal 2023 from ₹63,836.30 million in Fiscal 2022 driven by an increase in both revenue from sale of goods and sale of services.

Our revenue from sale of goods increased by 6.8% to ₹59,839.34 million in Fiscal 2023 from ₹56,003.53 million in Fiscal 2022 primarily due to organic growth of our existing businesses. Distribution to chemists/institutions and hospitals reported year on year growth in Fiscal 2022 and Fiscal 2023 driven by geographic expansion in the network of chemists and hospitals.

Thyrocare business has now fully recovered from the Covid led sectoral growth in Fiscal 2021 & Fiscal 2022 and is now growing its non-covid business. Thyrocare revenue & sample growth of non-covid business has grown +22% (non-covid revenue growth), +39% (sample growth) in

Fiscal 2023 over Fiscal 2022. There was a decrease in logistics income relating to rendering services of delivery persons which was impacted due to decrease in delivery orders in Fiscal 2023 compared to Fiscal 2022.

Our other income decreased by 38.2% to ₹ 478.37 million in Fiscal 2023 from ₹ 774.28 million in Fiscal 2022 primarily due to lower interest income from fixed deposits and lower gain on fair valuation of financial assets measured at fair value through profit and loss in Fiscal 2023.

Expenses

Our total expenses decreased by 1.7% to ₹90,352.65 million for Fiscal 2023 from ₹91,934.17 million for Fiscal 2022. As a percentage of revenue from operations, our total expenses decreased to 134.8% in Fiscal 2023 from 144.0 % in Fiscal 2022.

Cost of Material Consumed, Purchase of Stock-in-trade and Changes in Inventories of Stock-in-trade

Our cost of material consumed, purchase of stock-in-trade and changes in inventories of stock-in-trade were ₹1,569.22 million, ₹55,504.34 million and ₹609.47 million, respectively, for Fiscal 2023, and ₹1,662.50 million, ₹55,864.32 million and ₹(2,335.49) million, respectively, for Fiscal 2022 in line with the increase in our revenue from operations. As a percentage of revenue from operations, our cost of material consumed, purchase of stock-in-trade together with changes in inventories of stock-in-trade decreased to 86.0% in Fiscal 2023 from 86.5% in Fiscal 2022 on account of better product mix and higher procurement margins from vendors.

Employee benefit expense*

Our employee benefit expenses increased by 4.63% to ₹15,685.28 million in Fiscal 2023 from ₹14,990.94 million in Fiscal 2022 primarily due to increase in share-based compensation by ₹2,774.32 Mn which is partially offset by cost optimization initiatives taken by the management. As a percentage of revenue from operations, our employee benefits expense (excluding share based compensation expense) decreased to 9.8% in Fiscal 2023 from 13.6% in Fiscal 2022.

*ESOP expenses are calculated assuming per share valuation of the ESOPs at INR 52.81. per share. As an illustration, if 100 ESOPs are vested in this period at an exercise price of INR 1 per share, a charge of $(52.81-1) \times 100 = \text{INR } 5181$ is taken.

This is as per the Indian Accounting Standard. In case we calculate the expense based on new FMV of the company INR 4.84 per share, charge to profit and loss account for FY 23 becomes INR 248.4 Million instead of current charge of INR 9106.77 Million.

Finance costs

Our finance costs increased by 29.57% to ₹5,202.80 million in Fiscal 2023, from ₹4,015.50 million in Fiscal 2022 primarily on account of certain borrowings taken at higher rate during Fiscal 2023.

Depreciation and amortization expense

Our depreciation and amortization expense increased by 15.95% to ₹2,397.27 million in Fiscal 2023 from ₹2,067.45 million in Fiscal 2022 on account of additions to property, plant and equipment due to increased capital expenditure. There is also an increase in depreciation of right of use assets driven by an increase in leased assets.

Other expenses

Our other expenses decreased by 40.11% to ₹9,384.27 million in Fiscal 2023 from ₹15,668.95 million in Fiscal 2022. As a percentage of revenue from operations, our other expenses decreased to 14.0% in Fiscal 2023 from 24.5% in Fiscal 2022.

Key components of decrease in other expenses mentioned above are (i) sales promotion and marketing expense decreased by ₹2,810.50 million in Fiscal 2023, mainly due to lower ATL and Digital spends versus Fiscal 2022, (ii) manpower charges decreased from ₹916.23 million in Fiscal 2022 to ₹447.70 million in Fiscal 2023, mainly due to decrease in headcount at warehouses, (iii) legal and professional fees decreased from ₹2,428.03 million in Fiscal 2022 to ₹1,078.92 million in Fiscal 2022 and (iv) Provision for doubtful advances and write offs of ₹1,905.5 million in Fiscal 2022 versus ₹96.61 million in Fiscal 2023 primarily on account of provision created for GST credit due to uncertainty over its utilisation beyond 5 years from the reporting date.

Loss after tax for the period

As a result of the foregoing factors, our loss after tax decreased to ₹(22,768.66) million for Fiscal 2023 from ₹(40,535.95) million for Fiscal 2022.

Pro Forma Contribution Margin before sales promotion and marketing expense

Pro Forma Contribution Margin before sales promotion and marketing expense is a Non-GAAP financial measure that represents the margin arrived at by reducing the Cost of Material Consumed, Purchases of Stock-in-Trade and Changes in Inventories of Stock-in-Trade (excluding depreciation and amortisation), Warehousing and Lab Cost, and Other Direct Cost (together termed the “Direct Operating Costs”) as a Percentage of Revenue from Operations.

Warehousing and Lab Cost represents the sum of the expenses incurred at warehouses and diagnostics labs, including a portion of employee benefits expense (relating to warehouse employee salaries) and a portion of other expenses, such as manpower charges, contractual payment for delivery associates, water, electricity and fuel expenses and repairs and maintenance.

Other Direct Cost is the sum of other direct operating expenses, and includes a portion of employee benefits expenses (relating to customer support employee salaries) and a portion of other expenses, including the consumption of packing materials and consumables, service charges (relating to phlebotomist costs, lab technician cost), and legal and professional fees (relating to doctor consultation charges and diagnostics) but does not include technology related costs, both direct and indirect costs including employee benefit expenses.

The Pro Forma Contribution Margin before sales promotion and marketing expense was 5.0%, 5.1% and 7.7% for Fiscal 2022, Fiscal 2023 and Quarter ended June 2023 respectively on the back of improvements in Gross Margin and reduction in direct and operating costs across both our sale of products and sale of services segments.

The following table presents the Pro Forma Contribution Margin before sales promotion and marketing expense and each of the costs that form part of Direct Operating Costs as a Percentage of Revenue from Operations for Fiscal 2022, Fiscal 2023 and Quarter ended June 2023:

Pro Forma Contribution Margin	Fiscal 2022		Fiscal 2023		Quarter Ended June 2023	
	Rs. in million	% of Pro Forma Revenue from Operations	Rs. in million	% of Pro Forma Revenue from Operations	Rs. in million	% of Pro Forma Revenue from Operations
Revenue from Operations (A)	63,836.30	100.0%	67,051.19	100.0%	14,712.20	100.0%
Cost of Material Consumed (B)	1,662.50	2.6%	1,569.22	2.3%	372.98	2.5%
Purchases of Stock-in-Trade (C)	55,864.32	87.5%	55,504.34	82.8%	10,717.03	72.8%
Changes in Inventories of Stock-in-Trade (D)	(2,335.49)	(3.7%)	609.47	0.9%	1,211.62	8.2%
Warehousing and Lab Cost (E)	4,222.60	6.6%	3,689.85	5.5%	852.17	5.8%
Other Direct Cost (F)	1,241.41	1.9%	2,257.52	3.4%	429.24	2.9%
Direct Operating Costs (G=B+C+D+E+F)	60,655.34	95.0%	63,630.40	94.9%	13,583.05	92.3%
Contribution Margin before sales promotion and marketing expense(H=A-G)	3,180.96	5.0%	3,420.79	5.1%	1,129.15	7.7%

Note: Based on management views of pro forma financial information and assumes the acquisitions of Akna Medical Private Limited and Thyrocare Technologies Limited as if these were acquired on April 1, 2021 by our Company.

Proforma EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

EBITDA is a Non-GAAP financial measure that represents our Pro Forma loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost, exceptional items and other income.

Adjusted EBITDA is a Non-GAAP financial measure that represents our Pro Forma loss for the year, before depreciation and amortisation expense, Tax expense/ (credit), finance cost, other income and Employee share based payment expense and exceptional non-recurring items.

Adjusted EBITDA Margin is the percentage margin derived by dividing Adjusted EBITDA by revenue from operations.

Adjusted EBITDA Margins improved from (13.6%) in Fiscal 2022 to (8.4%) in Fiscal 2023 to 1.5% in Quarter ended June 2023

The following table reconciles Adjusted EBITDA to our loss of the year.

Proforma EBITDA, Adjusted EBITDA Margins	Fiscal 2022	Fiscal 2023	Quarter ended June 2023
Adjusted EBITDA			
Loss for the year (A)	(40,535.95)	(22,768.66)	(5,378.47)
Tax expense/ credit (B)	463.72	(45.71)	40.52
Finance costs (C)	4,015.50	5,202.80	1,455.49
Depreciation and amortization expense (D)	2,067.45	2,397.27	560.93
Other income (E)	(774.28)	(478.37)	(55.52)
Exceptional Items (F)	12,752.70	(1.47)	(0.01)
EBITDA (G=A+B+C+D+E+F)	(22,010.86)	(15,694.14)	(3,377.04)
Share based payment expense* (H)	6,332.45	9,106.77	3,205.83
One-time performance bonus (I)	3,213.30	0.00	0.00
Non-Recurring costs (J)	3,770.37	971.36	397.99
Adjusted EBITDA (K=G+H+I+J)	(8,694.74)	(5,616.01)	226.78
Revenue from operations (L)	63,836.30	67,051.02	14,712.20
Adjusted EBITDA Margin (M= K/L)	(13.6%)	(8.4%)	1.5%

*ESOP expenses are calculated assuming per share valuation of the ESOPs at INR 52.81. per share. As an illustration, if 100 ESOPs are vested in this period at an exercise price of INR 1 per share, a charge of $(52.81-1) \times 100 = \text{INR } 5181$ is taken.

This is as per the Indian Accounting Standard. In case we calculate the expense based on new FMV of the company INR 4.84 per share, charge to profit and loss account for FY 23 becomes INR 248.4 Million instead of current charge of INR 9106.77 Million.

Non- Recurring costs include:

1. Provision for doubtful debt and advances of ₹19.43 million in Quarter Ended June 2023, ₹372.35 million in Fiscal 2023 and ₹2,046.92 million in Fiscal 2022 primarily created for Provision for doubtful debts and GST credit due to uncertainty over its utilisation beyond 5 years from the reporting date.
2. Legal and professional fees of ₹12.30 million in Quarter Ended June 2023, ₹381.67 million in Fiscal 2023 and ₹1,673.97 million in Fiscal 2022 primarily incurred in connection with acquisitions made, raising equity and debt and filing of public offer.
3. Loss on disposal of Property, Plant and Equipment is ₹9.70 million in Quarter Ended June 2023, ₹78.90 million in Fiscal 2023 and ₹49.48 million in Fiscal 2022.
4. One-time business re-organisation cost incurred to achieve long term savings across our fixed and variable expenses

Significantly accelerating our path to profitability to achieve 1.5% Adjusted EBITDA Margin in Quarter ended June 2023

- During Fiscal 2023 and Quarter ended 2023 we have focused our efforts in improving our profitability by targeting the right customer segments that contribute to better economics and efficiencies across our operating, marketing, and other costs.
- Repurposed our marketing and growth expenses to focus on increasing revenue from existing customers. These expenses reduced as a % of revenue from 7.9% in Fiscal 2022 to 3.3% in Fiscal 2023 and to 0.6% of revenue in Quarter ended June 2023
- Increasing share of our margin accretive private label in our products business from 0.7% to 1.4% during this period from Fiscal 2022 to Fiscal 2023
- Improved capacity utilization of our fulfilment and warehousing infrastructure by rationalizing & integrating supply chain across the country
- In Fiscal 2023, we grew our diagnostics business of PharmEasy Labs by significantly improving our cross-sell % share in the business
- Significant savings were realized in our employee benefit expenses as we brought synergies across our businesses by streamlining organisation structure*
- Our Adjusted EBITDA margins significantly improved from -13.6% in Fiscal 2022 to -8.4% in Fiscal 2023 and to +1.5% in Quarter ended June 2023

*ESOP expenses are calculated assuming per share valuation of the ESOPs at INR 52.81. per share. As an illustration, if 100 ESOPs are vested in this period at an exercise price of INR 1 per share, a charge of $(52.81-1) \times 100 = \text{INR } 5181$ is taken.

This is as per the Indian Accounting Standard. In case we calculate the expense based on new FMV of the company INR 4.84 per share, charge to profit and loss account for FY 23 becomes INR 248.4 Million instead of current charge of INR 9106.77 Million.

Further building on our cross-sell capabilities to improve profitability and increase our services' offerings

- The growth of our platform is envisioned along multiple dimensions – more stakeholders, more customers, more use-cases, more products, more services, and higher frequency. While we

have built scale and reach in our product business, we are now also investing significantly in enhancing our cross-sell capabilities to offer high margin services to customers across our businesses. We will continue to invest in strengthening our capabilities and network to offer more healthcare services across our businesses.

- Our diagnostics business on PharmEasy marketplace has grown on the back of focused execution of our cross-sell strategy. In Fiscal 2023, 0.5 million customers availed diagnostics services which constitutes of 13.8% of the total consumers who transacted on PharmEasy marketplace.
- Thyrocare business has now fully recovered from the Covid led sectoral growth in Fiscal 2021 & Fiscal 2022 and is now growing its non-covid business across geographies. Thyrocare revenue & sample growth of non-covid business has grown +22% (non-covid revenue growth), +39% (sample growth) in Fiscal 2023 over Fiscal 2022.

ANNEXURE B | GENERAL TERMS OF THE RIGHTS ISSUE PROCESS

A. NOTICE TO INVESTORS

1. The Company is undertaking this issue of CCPS B on a rights basis to the Eligible Equity Shareholders and the Letter of Offer and the Application Form will be dispatched by way of registered/speed post only to such Eligible Equity Shareholders at their physical addresses in India (as provided by the Eligible Equity Shareholders to the depositories and available as per the records of the Company) who are (i) residents of India, or (ii) a “qualified institutional buyer” in the United States (as defined in Rule 144A under the Securities Act) (“U.S. QIB”), or (iii) outside of India and the United States and eligible to exercise rights entitlements and acquire CCPS B in accordance with the legal requirements applicable in such shareholder’s jurisdiction and in compliance with all applicable laws and regulations. Eligible Equity Shareholders can also access this Letter of Offer from the websites of the Company as well as the Registrar.
2. The Company will not be liable for non-dispatch of physical copies of this Letter of Offer and the Application Form or delay in the receipt of this Letter of Offer or the Application Form attributable to non-availability of the physical addresses of Eligible Equity Shareholders within India or if the Letter of Offer or the Application Forms are delayed or misplaced in transit.
3. The distribution of this Letter of Offer, the Application Form, any other offering material and the issue of CCPS B on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer or the Application Form may come, are required to inform themselves about and observe such restrictions. For details, see “Annexure G: Restrictions on Purchases and Resales”.
4. No action has been or will be taken to permit this Rights Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements and the CCPS B may not be offered or sold, directly or indirectly, and this Letter of Offer and the Application Form and any other offering materials or advertisements in connection with this Rights Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.
5. This Letter of Offer or the Application Form may not be used for the purpose of, and do not constitute, an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer or the Application Form must be treated as sent for information only and should not be acted upon for subscription to CCPS B and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of

Offer or the Application Form should not, in connection with the issue of the CCPS B or the Rights Entitlements, distribute or send this Letter of Offer 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 the Company or its affiliates or the financial advisors or their affiliates to any filing or registration requirement. If this Letter of Offer or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the CCPS B or the Rights Entitlements referred to this Letter of Offer or the Application Form.

6. THE CCPS B HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE “UNITED STATES” OR “U.S.”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE CCPS B REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED AND SOLD (I) IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”) TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE CCPS B IS PERMITTED UNDER APPLICABLE LAW AND (II) IN THE UNITED STATES TO U.S. QIBs PURSUANT TO SECTION 4(A)(2) OF THE SECURITIES ACT AND OTHER EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY CCPS B FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES, EXCEPT IN EACH CASE TO PERSONS IN THE UNITED STATES WHO ARE U.S. QIBs. ACCORDINGLY, INVESTOR SHOULD NOT FORWARD OR TRANSMIT THIS LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME (OTHER THAN TO U.S. QIBs).
7. Neither the Company, nor any person acting on behalf of the Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who the Company, or any person acting on behalf of the Company, has reason to believe is, a Competitor (*as defined under the Articles*) of the Company (and/or affiliates of such Competitor) or in the United States when the buy order is made (other than persons in the United States who are U.S. QIBs). No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States (in each case, other than from persons in the United States who are U.S. QIBs) or from any other jurisdiction where it would be illegal to make an offer of securities under this Letter of Offer. The Company is making this Rights Issue on a rights basis to the Eligible Equity Shareholders and will dispatch this Letter of Offer or the

Abridged Letter of Offer and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to the Company or who are located in eligible jurisdictions where the offer and sale of the CCPS B is permitted under applicable law.

8. Any person who acquires CCPS B will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that (i) it is not and that at the time of subscribing for the CCPS B, it will not be, in the United States; or (ii) it is a U.S. QIB in the United States, and in each case is authorized to acquire the CCPS B in compliance with all applicable laws and regulations, including the legal requirements applicable in such person's jurisdiction and India, without requirement for the Company or our affiliates or the financial advisors or their respective affiliates to make any filing or registration.
9. The Company, in consultation with Link Intime India Private Limited (the Registrar), reserves the right to treat as invalid any Application Form which: (i) appears to the Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (unless the Application Form is submitted by a U.S. QIB in the United States) or other jurisdictions where the offer and sale of the CCPS B is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) a U.S. QIB, if in the United States or (b) outside the United States and in each case such person is eligible to subscribe for the CCPS B under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Rights Issue; or (iii) where either a registered Indian address is not provided or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and the Company shall not be bound to issue or allot any CCPS B in respect of any such Application Form.
10. Neither the receipt of this Letter of Offer nor any sale of CCPS B hereunder, shall, under any circumstances, create any implication that there has been no change in the 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 Letter of Offer or the date of such information. The contents of this 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 CCPS B. 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 CCPS B. In addition, neither the Company or its affiliates nor our financial advisors are making any representation to any offeree or purchaser of the CCPS B regarding the legality of an investment in the CCPS B by such offeree or purchaser under any applicable laws or regulations.
11. The CCPS B have not been approved or disapproved by the US Securities and Exchange Commission ("US SEC"), any state securities commission in the United States or any other

US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this Rights Issue or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

12. **THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM THE COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**
13. All offers and sales of the CCPS B have been, or will be, made solely by the Company. The financial advisors and representatives are not making or otherwise involved in any offers or sales of the CCPS B or any other security with respect to this Rights Issue.
14. Further, while investing in the Rights Issue, the Eligible Equity Shareholders 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. **Any acquisition of CCPS B in this Rights Issue by any non-resident Investor shall be subject to compliance with the applicable laws in India, including without limitation the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, Foreign Exchange Management Act, 1999 along with the rules and regulations made thereunder, and other circulars, policies, directions and guidelines issued by Reserve bank of India or the Ministry of Finance from time to time. Further, in terms of the Press Note 3 of 2020, any entity of 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, cannot invest in this Rights Issue except under the government approval route.**
15. The 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.

B. SUBMISSION OF APPLICATION FORM

1. Investors shall ensure that the Application Forms are submitted through Application Forms or through plain paper Application Form on or before the Issue Closing Date to the Collection Bank or Registrar in the manner set out below. If an Investor requires CCI Approval for subscribing to the Rights Entitlement and has not received the same prior to Issue Closing Date, the Investor (who is desirous of participating in Rights Issue) shall intimate the Board and provide all the necessary details in this regard along with delivery of duly filled in Application Form no later than the Issue Closing Date.
2. Please note that if no application is made by the Investors of their respective Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed

and shall be extinguished after the Issue Closing Date and the Unsubscribed Rights Issue Amount (*as defined below*) shall be allotted to the Other Eligible Persons as per the Waterfall Mechanism (*as defined below*) as per the terms laid down in Annexure C of this Letter of Offer. No CCPS B shall be issued to the Investors for such lapsed Rights Entitlements. The 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.

3. The Application Form format for the Investors shall be available on the website of the Registrar at www.linkintime.co.in. Further, the details of the Rights Entitlements with respect to each Eligible Equity Shareholder shall be as indicated in the Application Form and can also be viewed by such respective Eligible Equity Shareholders on the website of the Registrar at www.linkintime.co.in and <https://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx> after keying in their respective details along with other security control measures implemented thereat.
4. Any person who makes an application to acquire the CCPS B offered in the Rights Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the CCPS B in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India.
5. Investors shall be required to deposit application money upfront along with the Application Form, subject to Clause 6 below of para B of Annexure B. All payments from the Investors in this Rights Issue shall be by way of crossed cheques or demand drafts in the name of "API Holdings Limited-R" for resident and non-resident - non repatriation shareholder and "API Holdings Limited-NR" for non-resident repatriation shareholder. Investors can send their Application Form together with the cheque/demand draft drawn at par on a local bank at Mumbai or a demand draft payable at Mumbai to the Collection Bank or the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. The details of centres of the Collection Bank where the Application Form along with the cheque/demand draft may be submitted are as specified in Application Form. In the event any Investor is legally or otherwise unable to make payment by way of a cheque or a demand draft, they may request the Company for alternate methods of payment and the Company may, at its sole discretion, provide alternate payment options.
6. If an Investor (who is desirous of participating in Rights Issue) has intimated the Board that it is required to obtain CCI Approval for subscribing to CCPS B in terms of Clause 1 above of para B, the Board shall in such case defer the allotment of CCPS B to such Investor for a period of 60 (*sixty*) days from the Issue Closing Date i.e. until December 26, 2023 (or such extended period as may be decided by the Board) ("**Rights Entitlement Extended Payment Date**"), within which such Investor shall obtain the CCI Approval and make payment of the application money to the Company for subscribing to CCPS B. Please note that if the application monies are not paid by the said Investor on or prior to the Rights

Entitlement Extended Payment Date, the Rights Entitlements of such Investor shall get lapsed and shall be extinguished on the expiry of the Rights Entitlement Extended Payment Date and the Unsubscribed Rights Issue Amount (*as defined below*) shall be allotted to the Other Eligible Persons as per the Waterfall Mechanism (*as defined below*) as per the terms laid down in Annexure C of this Letter of Offer.

7. Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of the Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
8. Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available to a particular Investor, and such Investor will have to apply for the CCPS B 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.
9. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with the Company, and the Registrar not having any liability to the Investor. The plain paper Application format will also be available on the website of the Registrar at www.linkintime.co.in and at <http://web.linkintime.co.in/RIGHTSISSUE/rightsissues-Knowyourapplication.aspx>.
10. **Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form. 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. The Company and the Registrar shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**
11. ***Options available to the Eligible Equity Shareholders***

The Application Form will clearly indicate the number of CCPS B that the Eligible Equity Shareholder is entitled to in this Rights Issue as a part of its Rights Entitlement.

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

- (i) apply for such number of CCPS B to the full extent of its Rights Entitlements; or
- (ii) apply for such number of CCPS B to the extent of part of its Rights Entitlements (without renouncing the other part); or

- (iii) apply for such number of CCPS B to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) renounce its Rights Entitlements in full.

12. *Entitlements*

- (i) The Total Issuance Amount will be allotted to all the Eligible Equity Shareholders in proportion to their holding of the paid-up equity share capital as of the Record Date determined by the Board ("**Rights Entitlement**").
- (ii) If any portion of the Total Issuance Amount remains unsubscribed after allotment to all the Investors as set out in (i) above ("**Unsubscribed Rights Issue Amount**"), the Board shall allot the same as per the mechanism stated in para B of Annexure C of this Letter of Offer.

For avoidance of doubt, it is clarified that the Investors (other than Pre-emption Exercisees) shall not be entitled to subscribe to any additional CCPS B in excess of their respective Rights Entitlement.

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

- (i) Please read this Letter of Offer carefully to understand the Application process and applicable settlement process.
- (ii) Please read the instructions on the Application Form. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (iii) The original hard copy of the Applications, duly signed by the authorised representative(s) of the Investor, should be submitted to the Registrar or the Collection Bank (locations of the Collection Bank as identified in the Application Form).
- (iv) 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. 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 CCPS B pursuant to this Rights Issue shall be made into the accounts of such Investors.

- (v) 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 Rights Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Rights Issue should carefully fill in their Depository Account details in the Application. Investors are advised to update their Demographic Details as provided to their Depository Participants. **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.**
- (vi) 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.
- (vii) Investors should provide correct DP ID and Client ID 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.
- (viii) All communication in connection with Application for the CCPS B, 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 Rights Issue quoting the name of the first/sole Applicant, /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.
- (ix) For physical Applications at Designated Branches of Collection Bank, 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 Collection Bank.
- (x) Investors are required to ensure that the number of CCPS B applied for by them do not exceed the prescribed limits under the applicable law.

- (xi) Investor should not apply if it is ineligible to participate in this Rights Issue under the securities laws applicable to its jurisdiction.
- (xii) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (xiii) Avoid applying on the Issue Closing Date.
- (xiv) Do not pay the application money in cash, by money order, pay order or postal order.
- (xv) Do not submit multiple Applications.

14. *Grounds for Technical Rejection*

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

- (i) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (iii) Account holder not signing the Application or declaration mentioned therein.
- (iv) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (v) Submitting the GIR number instead of the PAN.
- (vi) 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.
- (vii) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer.
- (viii) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (ix) Application Forms (other than from Investors awaiting the CCI Approval) not accompanied by full application money towards the number of CCPS B applied for

in the Application Form or the payment towards the subscription money has not been made in the modes prescribed in this Letter of Offer.

- (x) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (xi) Applications which: (i) appears to the Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the CCPS B is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) a U.S. QIB, if in the United States or (b) outside the United States, and in each case such person is eligible to subscribe for the CCPS B under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Rights Issue; and the Company shall not be bound to issue or allot any CCPS B in respect of any such Application Form.
- (xii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (xiii) Non-submission of declaration under the Foreign Exchange Management Act, 1999, read with the rules framed thereunder, for compliances with the Press Note No. 3 (2020 Series) dated April 17, 2020, issued by Department for Promotion of Industry and Internal Trade, Government of India, as applicable.
- (xiv) Application from Investors that are residing at a U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs).
- (xv) Application received from any Investor to the extent such application is in excess of the respective Investor's Rights Entitlement.
- (xvi) Application from a Competitor (as defined under the Articles) of the Company.
- (xvii) Any Application which is not accompanied with documents required to be submitted under the Application Form and the Applicable Laws for ensuring allotment of CCPS B.

15. Offer to Non-Resident Investors

- (i) Applications received from NRIs and non-residents Investors for allotment of CCPS B in the Rights Issue shall be *inter alia*, subject to the conditions imposed from time to time by RBI under the Foreign Exchange and Management Act, 1999 and rules

and regulations made thereunder, in the matter of Application, refund of application money, allotment of CCPS B and issue of allotment advice. If an NRI or non-resident Investor has specific approval from RBI or other government authority in connection with his/her/their shareholding in the Company, such person should enclose a copy of such approval with Application details along with the Application Form. It will be the sole responsibility of the Investor to ensure that the necessary approval from the RBI or the government authority is valid in order to make any investments in the Rights Issue and the Company will rely on the validity of such approvals provided by the Investors while making the allotments in this Rights Issue.

- (ii) The Eligible Equity Shareholders confirm that they have acquired the shareholding in the Company in compliance with applicable laws, including without limitation, the Foreign Exchange and Management Act, 1999 and rules and regulations made thereunder. All non-resident Investors shall submit requisite FCTRS forms and their regulatory approvals (if applicable) along with the Application Form on or before the Issue Closing Date to enable the Company to confirm that the transfer of shares post initial issuance by the Company have been in compliance with the applicable laws. Any failure to submit the requisite FCTRS and other regulatory approvals (if applicable) shall result in the rejection of the Application Form submitted by such Investor. Further, the Company may request such other additional document as it may require to ensure compliance with applicable laws, and the Investors will be required to provide such additional documents within 2 (*two*) working days, failing which the Company will be entitled to reject/disqualify the Investor from participating in the Rights Issue.

16. *Multiple Applications*

- (i) In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements applicable to each demat account of the Investors and such Applications shall not be treated as multiple applications.
- (ii) In cases where Multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

17. *Last date for Application*

The last date for submission of the duly filled in the Application Form is October 27, 2023 (until 5.00 p.m.), *i.e.*, the Issue Closing Date.

18. *Withdrawal of Application*

An Investor who has applied in this Rights Issue may withdraw their Application at any time during Issue Period by approaching the Registrar by sending the e-mail withdrawal request to api.rights2023@linkintime.co.in. However, no Investor, may withdraw their Application post the Issue Closing Date.

19. Disposal of Application and Application Money

- (i) No physical acknowledgment will be issued for the application money received by the Company or the Registrar. However, the Investor may call the Registrar to obtain confirmation on receipt of application money.
- (ii) Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.
- (iii) In case an Application is rejected in full, the whole of the application money will be refunded to the Investors in the bank account available in the records of the depository participant. Wherever an Application is rejected in part, the balance of application money, if any, after adjusting any money due on CCPS B allotted, will be refunded in the respective bank accounts of the Investor from which application money was received or in the bank account available in the records of the depository participant within a period of 10 (*ten*) working days from the Rights Entitlement Allotment Date. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.
- (iv) For further instructions, please read the Application Form carefully.

C. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

1. Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Rights Issue shall apply to the Renouncee(s) as well, unless expressly specified otherwise.

2. Renunciation of Rights Entitlements

- (i) Subject to the provisions of this Clause 2(ii) of para C of Annexure B, this Rights Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements either in full or in part to one or more than one Renouncee (other than to a person(s) who is a Competitor (*as defined under the Articles*) of the Company).

- (ii) The renunciation from resident Eligible Equity Shareholder(s) to person(s) resident outside India shall be subject to provisions of FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to times.

3. Procedure for Renunciation of Rights Entitlements

- (i) The Eligible Equity Shareholders may renounce the Rights Entitlements, either in full or in part in favour of the Renouncee(s) by submitting an original physical copy of the Application Form duly signed by both the Eligible Equity Shareholder and the Renouncee in the format given in **Annexure E** to the Collection Bank or the Registrar on or prior to the Issue Closing Date. However, it is clarified that a Renouncee shall not be entitled to further renounce the Rights Entitlements to any person.
- (ii) **The Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage) incurred pursuant to any renunciation or due to participation in this Rights Issue, and such costs will be incurred solely by the Investors.**

D. NOMINATION

- (i) Nomination facility is available in respect of the CCPS B 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.
- (ii) Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the CCPS B to be allotted in this Rights Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding CCPS B in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

E. BASIS OF ALLOTMENT OF RIGHTS ISSUE

- 1. For all valid Application Forms received from Investors along with the application money received, in compliance with the terms and conditions specified in this Letter of Offer and the applicable law on or before 15th day from the Issue Opening Date, the allotment of CCPS to the extent you are entitled to in this Rights Issue shall be done within 15 (*fifteen*) working days from the 15th day from Issue Opening Date. For all valid Application Forms received from Investors along with the application money received, in compliance with the terms and conditions specified in this Letter of Offer and the applicable law between 16th day from the Issue Opening Date and on or before the Issue Closing Date, the allotment of CCPS B to the extent the Investors are entitled to in this Rights Issue shall be done within 10 (*ten*) working days of Issue Closing Date. The date on which CCPS B is allotted to Investors in terms of this part E shall hereinafter be referred to as “**Rights Entitlement**”

Allotment Date”. Provided that where an Investor has intimated the Board that it requires CCI Approval for subscribing to the Rights Entitlement in terms of Clause 1 of part B of Annexure B of this Letter of Offer, the allotment of CCPS B to the extent the Investors are entitled to in this Rights Issue shall be done within 10 (*ten*) working days of the Rights Entitlement Extended Payment Date, subject to application monies being received from such Investors. The Board will proceed to allot the CCPS B in the following order of priority:

- (i) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of CCPS B either in full or in part and also to the Renouncee(s) who has or have applied for CCPS B to the maximum extent of Rights Entitlements renounced in their favour, in full or in part. Any fractional entitlements of the Eligible Equity Shareholders shall be rounded up. Provided that where an Investor holds less than 17 (*Seventeen*) equity shares as on the Record Date, such Investor shall have the right to subscribe to 1 (*one*) CCPS B.
 - (ii) Upon completion of allotment to the Investors in the manner laid down in Clause (i) above, the Board shall offer the Unsubscribed Rights Issue Amount to Other Eligible Persons as per the Waterfall Mechanism stated in Clause C of Annexure C below.
2. After taking into account Allotment to be made under (i) to (ii) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’ and withdrawn/cancelled.
 3. The allotment of the CCPS B, to non-resident holders shall be in accordance with the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and the Consolidated FDI Policy issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

F. DEMAT CREDIT OF SECURITIES

1. The demat credit of securities to the respective beneficiary accounts will be credited within 15 (*fifteen*) working days from the date of allotment to the respective Investors or such other timeline in accordance with applicable laws.
2. **Receipt of the CCPS B in Dematerialized Form**

PLEASE NOTE THAT THE CCPS B APPLIED FOR UNDER THIS RIGHTS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.

3. Investors shall be allotted the CCPS B in dematerialized (electronic) form. The Company has signed an agreement dated August 21, 2020 with NSDL and an agreement dated July 6, 2020 with CDSL which enables the Investors to hold and trade in the securities issued by the Company in a dematerialized form, instead of holding the CCPS B in the form of physical certificates.

G. INVESTOR GRIEVANCES AND COMMUNICATION

1. Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Letter of Offer or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “API Holdings Limited – Rights Issue” on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

Link Intime India Private Limited

C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 +91 810 811 4949

E-mail: api.rights2023@linkintime.co.in

Website: www.linkintime.co.in

Investor grievance ID: api.rights2023@linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

3. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91810 811 4949.

H. MODE OF PAYMENT AND PAYMENT DETAILS

1. All payments from the Investors in this Rights Issue shall be by way of crossed cheques or demand drafts in the name of “API Holdings Limited-R” for resident and non resident - non repatriation shareholder and “API Holdings Limited-NR” for non resident repatriation shareholder. In the event any Investor is legally or otherwise unable to make payment by way of a cheque or a demand draft, they may request the Company for alternate methods of payment and the Company may, at its sole discretion, provide alternate payment options. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of CCPS B shall, amongst other things, be subject to conditions, as may be imposed from time to time under applicable laws, including FDI policy, FEMA,

rules, regulations and directions issued by RBI and other regulatory authorities in respect of matters including receipt and/or refund of application money and allotment of CCPS B.

I. ALLOTMENT ADVICE OR REFUND

1. The Company will send Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided valid e-mail, along with crediting the Allotted CCPS B to the respective beneficiary accounts (only in dematerialised mode) or issue instructions for refunding the funds to the respective bank accounts of the Eligible Equity Shareholders from which the Application Money was received, if any, within a period of 15 (*fifteen*) working days from the date of allotment to the respective Investors or such other period as may be prescribed under applicable laws. Therefore, the Investors should ensure that such bank accounts remain valid and active.
2. The Allotment advice issued to Eligible Equity Shareholders who are allotted CCPS B pursuant to this Rights Issue will also entitle them to customary warranties and indemnities set out in the Warranty and Indemnity Undertaking which will be incorporated by reference into the Allotment advice. A copy of the Warranty and Indemnity Undertaking which sets out the terms and conditions in relation to the warranties and indemnities provided by the Company shall be made available to the Eligible Equity Shareholders for physical inspection at the Company's registered office from the Issue Opening Date to the Issue Closing Date, except during Saturdays, Sundays and public holidays, from 10 am to 1pm.
3. The Company, at its discretion, reserves the right to restrict access to the Warranty and Indemnity Undertaking (or part thereof), right to protect its confidential and proprietary information and compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and/or if providing access to the information may be prejudicial to the interests of the Company in any manner.
4. The Investors subscribing to CCPS B agree and acknowledge that the Incoming Investor shall be entitled to certain rights stated in the Binding Term Sheet, which shall be appropriately incorporated in the Articles and the shareholders agreement to be executed between the Company and its investors, subject to the Incoming Investor subscribing to CCPS B.
5. In the case of non-resident Investors who remit their application money from funds held in the NRE or the FCNR Accounts, refund and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

J. PAYMENT OF REFUND

Mode of making refunds (including for non-residents)

1. 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.
 - (i) **NACH** – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
 - (ii) **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 the 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.
 - (iii) **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 Refund Bank(s) for the same would be borne by the Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
 - (iv) 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.

**ANNEXURE C | TERMS OF ALLOTMENT
OF UNSUBSCRIBED RIGHTS ISSUE AMOUNT**

A. APPLICABILITY

The terms contained in this Annexure C shall be applicable to participation of Other Eligible Persons in subscribing to the Unsubscribed Rights Issue Amount as per the Waterfall Mechanism. Certain provisions of Annexure B (i.e. Notice to Investors (*para A*), Para B Clauses 4, 5, 10, Additional general instructions for Investors in relation to making of an Application (*para B Clause 13*), Grounds for Technical Rejection (*para B Clause 14*), Offer to Non-Resident Investors (*para B Clause 15*), Multiple Applications (*para B Clause 16*), Para D, Demat credit of securities (*Part F*), Mode of payment and payment details (*Part H*), Allotment advice or refund (*Part I*) and Payment of refund (*Part J*)) shall apply *mutatis mutandis* to the allocation of Unsubscribed Rights Issue Amount. In case of any inconsistency between the provisions of Annexure B and this Annexure C, the terms of this Annexure C shall prevail.

B. ENTITLEMENTS

1. Subject to terms of this Annexure C, keeping in mind the interests of the Company to meet the condition of raising capital as well as treating all the existing stakeholders fairly, the Board (in exercise of its powers under Section 62(1)(a)(iii) of the Companies Act, 2013) has decided to allot the Unsubscribed Rights Issue Amount to the following persons (*and their respective renounces, if applicable*) (“**Other Eligible Persons**”) in the manner and subject to the terms and conditions set out below (“**Waterfall Mechanism**”):

- (i) firstly, to the Pre-emption Holders (*as defined under the Articles*) (*to the extent they have applied for CCPS B in excess of their respective Rights Entitlement*), who have issued an unconditional Proposed Issuance Acceptance (in response to the Proposed Issuance Notice dated July 26, 2023) on or prior to August 16, 2023 and have elected to subscribe to CCPS B over and above their Rights Entitlement (“**Pre-emption Exercisees**”). For avoidance of doubt, it is clarified that (A) only those Pre-emption Exercisees who have entirely subscribed to their respective ‘Rights Entitlement’, if any, in accordance with the terms of the Letter of Offer shall be eligible to receive any portion of the Unsubscribed Rights Issue Amount; and (B) in the event the Unsubscribed Rights Issue Amount is less than the aggregate of the total commitments that the Company has received pursuant to the Proposed Issuance Acceptance, the Company shall allot such remaining portion of the

Unsubscribed Rights Issue Amount to the Pre-emption Exercisees, in proportion of their inter-se Pro Rata Share⁴;

- (ii) secondly, to the holders of CCPS A as of the Record Date, other than the Pre-emption Exercisees, in proportion to their respective shareholding on a Fully Diluted Basis (computed only on account of CCPS A held by such shareholder), for an aggregate amount of approximately INR 520.25 crore, to the extent available. For avoidance of doubt, it is clarified that (A) only those holders of CCPS A who have entirely subscribed to their respective 'Rights Entitlement', if any, in accordance with the terms of the Letter of Offer shall be eligible to receive any portion of the Unsubscribed Rights Issue Amount; and (B) in the event the Unsubscribed Rights Issue Amount post, after offering to Persons set out in (i) above, is less than the aggregate amount of INR 520.25 crore, the Company shall allot such remaining portion of the Unsubscribed Rights Issue Amount to holders of CCPS A in proportion of their inter-se Pro Rata Share;
- (iii) thirdly, to ESOP holders of the Company as of the Record Date in proportion to their respective shareholding on a Fully Diluted Basis (computed only on account of ESOPs held by such holder) for an aggregate amount of approximately INR 426.50 crore, to the extent available. For avoidance of doubt, it is clarified that (A) only those ESOP holders who have entirely subscribed to their respective 'Rights Entitlement', if any, in accordance with the terms of the Letter Of Offer shall be eligible to receive any portion of the Unsubscribed Rights Issue Amount; and (B) in the event the Unsubscribed Rights Issue Amount, after offering to Persons set out in (i) and (ii) above, is less than the aggregate amount of INR 426.50 crore, the Company shall allot such remaining portion of the Unsubscribed Rights Issue Amount to ESOP holders in proportion of their inter-se Pro Rata Share;
- (iv) fourthly, to the Incoming Investor, any portion of the Unsubscribed Rights Issue Amount remaining unallocated after offering to Persons set out in (i) to (iii) above; and
- (v) lastly, to the any Persons, any portion of the Unsubscribed Rights Issue Amount remaining unallocated after offering to Persons set out in (i) to (iv) above, at the sole discretion of the Board, in a manner which is not disadvantageous to the shareholders of the Company and is in the best interest of the Company and its shareholders, in accordance with the Applicable Laws. It is clarified that the Board

⁴ Note: For the purposes of this Letter of Offer, "Pro Rata Share" means the proportion that the number of issued and outstanding Equity Shares (as defined under the Articles) and Securities (as defined under the Articles) convertible into Equity Shares held by a Shareholder (as defined under the Articles) bears to the aggregate number of issued and outstanding Equity Shares and Securities convertible into Equity Shares held by all Shareholders (or by all Shareholders whose Pro Rata Shares are being determined, as applicable), in each case, on a Fully Diluted Basis (as defined under the Articles).

may, at its sole discretion, reject any application for subscribing to Unsubscribed Rights Issue Amount which is not in accordance with the terms of this Letter of Offer or which the Board believes to be speculative or not in the interest of the Company.

For avoidance of doubt, it is clarified that (A) the holders of CCPS A/ ESOP holders shall not be entitled to subscribe to any additional CCPS B in excess of their entitlement as per the Waterfall Mechanism set-out above; and (B) other than for issuance of DH Securities in favour of Goldman and EvoX in terms of Clause (vii) of para L of Part 1 of Annexure A, if required, Company will not undertake preferential allotment of CCPS B in favour of any Other Eligible Person even if the Unsubscribed Rights Issue Amount is less than the amount proposed to be invested by one or more of the Other Eligible Persons.

C. SUBMISSION OF APPLICATION FORM AND APPLICATION MONIES

1. The Other Eligible Persons shall ensure that the Application Forms are submitted within the timelines applicable for such Other Eligible Persons (as set out in Annexure H of this Letter of Offer), to the Collection Bank or Registrar in the manner set out below. If any Other Eligible Person requires CCI Approval for subscribing to the Unsubscribed Rights Issue Amount and has not received the same within applicable timelines set out in Annexure H of this Letter of Offer, such Other Eligible Persons may intimate the Board and provide all the necessary details in this regard along with delivery of duly filled in Application Form.
2. Please note that if no application is made by the Other Eligible Persons within the applicable timelines entitlement set out in Annexure H of this Letter of Offer, such portion of Unsubscribed Rights Issue Amount shall get lapsed. The Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms within the applicable timelines as set out in Annexure H of this Letter of Offer.
3. If any Other Eligible Person has intimated the Board that it is required to obtain CCI Approval for subscribing to CCPS B, the Board shall in such case defer the allotment of CCPS B to such Other Eligible Person (including the Incoming Investor) for a period of 90 (*ninety*) days from the Issue Closing Date i.e. January 25, 2024 (or such extended period as may be decided by the Board) (“**Unsubscribed Portion Extended Payment Date**”), within which such Other Eligible Person (including the Incoming Investor) shall obtain the CCI Approval and make payment of the application money to the Company for subscribing to CCPS B. Please note that if the application monies are not paid by the said Other Eligible Person on or prior to the Unsubscribed Portion Extended Payment Date, the entitlement of such Other Eligible Person to subscribe to the Unsubscribed Rights Issue Amount, as per the Waterfall Mechanism set out above, shall get lapsed and shall be extinguished on the expiry of the Unsubscribed Portion Extended Payment Date and such portion of

Unsubscribed Rights Issue Amount shall be allotted to the Other Eligible Persons as per the Waterfall Mechanism set out above.

4. Upon completion of allotment of CCPS B to Other Eligible Persons (including the Incoming Investor) the Board shall, offer and allot the remaining Unsubscribed Rights Issue Amount (*if any*) to any Persons, in terms of Clause 1(v) of para B of Annexure C of this Letter of Offer, at its sole discretion, and in the manner to be decided by the Board.

D. RENUNCIATION OF UNSUBSCRIBED RIGHTS ISSUE AMOUNT

1. Renounees

All rights and obligations of the holders of CCPS A and ESOP holders in relation to Applications and refunds pertaining to the allotment of Unsubscribed Rights Issue Amount shall apply to the Renounee(s) as well, unless expressly specified otherwise.

For avoidance of doubt, it is clarified that Pre-emption Exercisees and Incoming Investor shall not have the right to renounce their respective entitlements of Unsubscribed Rights Issue Amount to any person in any manner.

2. Renunciation of Unsubscribed Rights Issue Amount

Subject to the provisions of this Clause 2 of para D, this allotment of Unsubscribed Rights Issue Amount includes a right exercisable by holders of CCPS A and ESOP holders to renounce their respective entitlements either in full or in part to one or more than one Renounee (other than to a person(s) who is a Competitor (*as defined under the Articles*) of the Company).

The renunciation from resident holder(s) of CCPS A or ESOP holder(s) to person(s) resident outside India shall be subject to provisions of FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to times.

3. Procedure for Renunciation of Unsubscribed Rights Issue Amount

The holder(s) of CCPS A and/or ESOP holder may renounce their respective entitlements in the Unsubscribed Rights Issue Amount, either in full or in part in favour of the Renounee(s) by submitting an original physical copy of the Application Form duly signed by both the holder(s) of CCPS A or ESOP holder(s), as the case may be, and the Renounee in the format given in **Annexure E** to the Collection Bank or the Registrar on or prior to the Issue Closing Date.

HOWEVER, IT IS CLARIFIED THAT A RENOUNCEE SHALL NOT BE ENTITLED TO FURTHER RENOUNCE ITS ENTITLEMENT IN THE UNSUBSCRIBED RIGHTS ISSUE AMOUNT TO ANY PERSON.

The Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage) incurred pursuant to any renunciation or due to participation in this Unsubscribed Rights Issue Amount, and such costs will be incurred solely by the respective holder(s) of CCPS A or ESOP holder(s), as the case may be.

E. BASIS OF ALLOTMENT OF UNSUBSCRIBED RIGHTS ISSUE AMOUNT

1. For all valid Application Forms received from Other Eligible Persons along with the application money, in compliance with the terms and conditions specified in this Letter of Offer and the applicable law within the timelines specified in Annexure H of this Letter of Offer, the allotment of CCPS B to the extent the Other Eligible Persons are entitled to in this Rights Issue shall be done within 10 (*ten*) working days of the Other Eligible Persons Relevant Closing Date⁵.
2. Only such Other Eligible Persons, as applicable, shall be entitled to subscribe to the Unsubscribed Rights Issue Amount in terms of the Waterfall Mechanism, who have entirely subscribed to their respective Rights Entitlement. For avoidance of doubt, it is clarified that any Other Eligible Person who has renounced its right to subscribe to the Rights Entitlement (in full or in part) shall not be entitled to subscribe to the Unsubscribed Rights Issue Amount. To such extent, their respective entitlement in the Unsubscribed Rights Issue Amount shall lapse and the Board shall have the right to dispose off the same as per the Waterfall Mechanism.
3. The allotment of the CCPS B, as applicable, to non-resident holders shall be in accordance with the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder and the Consolidated FDI Policy issued by Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

F. Disposal of Application and Application Money

⁵ Note: For the purposes of this Letter of Offer, “**Other Eligible Persons Relevant Closing Date**” means, in relation to (i) the Pre-emption Exercisees and the holders of CCPS A, the date stated in Sr. no. 2 of Annexure H of this Letter of Offer; (ii) the ESOP holders, the date stated in Sr. no. 5 of Annexure H of this Letter of Offer; and (iii) the Incoming Investor, the date stated in Sr. no. 8 of Annexure H of this Letter of Offer. Provided that where Other Eligible Persons Relevant Closing Date relates to any Other Eligible Person specified in para 3 of Clause C of Annexure C of this Letter of Offer (i.e. an Other Eligible Person who has intimated the Board that it is required to obtain CCI Approval for subscribing to CCPS B), the Other Eligible Persons Relevant Closing Date shall mean the Unsubscribed Portion Extended Payment Date.

- (i) No physical acknowledgment will be issued for the application money received by the Company or the Registrar. However, the Investor may call the Registrar to obtain confirmation on receipt of application money.
- (ii) Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.
- (iii) In case an Application is rejected in full, the whole of the application money will be refunded to the Other Eligible Persons in the bank account available in the records of the depository participant. Wherever an Application is rejected in part, the balance of application money, if any, after adjusting any money due on CCPS B allotted, will be refunded in the respective bank accounts of the Other Eligible Persons from which application money was received or in the bank account available in the records of the depository participant within a period of 10 (*ten*) working days from the date of allotment of securities. In case of failure to do so, the Company shall pay interest at such rate and within such time as specified under applicable law.
- (iv) For further instructions, please read the Application Form carefully.

ANNEXURE D | TERMS OF THE ISSUE OF CCPS B

1. Face Value

The CCPS B shall have a face value of Rs. 1/- (Rupee One only).

2. Term

Unless converted in accordance with the terms of the Articles and Applicable Laws, the term of the CCPS B shall be until September 1, 2043 (“**CCPS B Maturity Date**”).

3. Dividend

- 3.1. The holders of CCPS B shall be entitled to receive on their respective CCPS B, a cumulative dividend at the rate of 0.0001% (zero point zero zero zero one per cent) of the face value of each CCPS B per annum (“**CCPS B Dividend**”), which dividend shall be *pari passu* with the dividend paid to the holders of any other CCPS that may be issued by the Company from time to time. The CCPS B Dividend is cumulative and shall accrue from the date of allotment of the CCPS B in the first year, and for subsequent years, accrues year to year when not paid, and accrued dividends shall be paid in full (together with dividends accrued from prior years) simultaneously with the dividend on any other CCPS that may be issued by the Company from time to time, on a *pari passu* basis, but prior and in preference to any dividend or distribution payable upon shares of any other class or series in the same Financial Year.
- 3.1 In addition to and after payment of the CCPS B Dividend, each CCPS B holder would be entitled to participate *pari passu* in any cash or non-cash dividends paid to the holders of shares of any other class or series (including Equity Shares) on a pro rata, as on converted basis.
- 3.2 No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution any CCPS B would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of CCPS B of an Indian company held by a non-resident under Applicable Laws (including without limitation, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019).
- 3.3 The Company shall adopt a policy of declaring dividends on the CCPS B at least at such rate as set out in paragraph 3.1 in each Financial Year in which the Company has profits available for distribution in accordance with Applicable Law.
- 3.4 In the event that any dividends which are declared on the CCPS B cannot be paid out to the relevant holders of CCPS B due to regulatory reasons, then such holders of CCPS B may at their sole option convert the CCPS B into Equity Shares in accordance with the terms of the

Articles and the accumulated dividends which are declared but unpaid on the CCPS B so converted shall be paid out on the Equity Shares resulting from such conversion.

4. Voting

- 4.1. From and after the issuance of CCPS B, the voting rights of every Shareholder on every resolution placed before the Company shall, to the extent permissible under Applicable Law, be one vote per Equity Share (with the issued Share Capital being calculated on a Fully Diluted Basis). The number of votes shall be subject to adjustment in the event that the number of Equity Shares to be issued upon conversion of any of the CCPS B to Equity Shares is subject to any increase or decrease pursuant to the terms of the Articles.

5. Conversion of CCPS B

- 5.1 The CCPS B shall be convertible into Equity Shares at the option of the holders thereof in accordance with paragraphs 5.2, 5.4 and 5.5 below. Any CCPS B that has not been converted into Equity Shares shall compulsorily convert into Equity Shares in accordance with paragraph 5.3, upon the earlier of:

5.1.1 The CCPS B Automatic Conversion Date; and

5.1.2 The CCPS B Maturity Date;

in each case in accordance with the terms of the Articles.

Within 15 (Fifteen) Business Days after the conversion of all or any of the CCPS B into Equity Shares in accordance with the provisions of the Articles, the Company shall provide a copy of the revised and updated shareholding pattern of the Company to all the Shareholders.

5.2 Right to Conversion

5.2.1 The holders of CCPS B shall have the right, at any time and from time to time to require the Company, by written notice (a “**Conversion Notice**”), to convert all or some of the CCPS B into Equity Shares.

5.2.2 Each CCPS B shall be convertible into Equity Shares in accordance with paragraph 5.4 and paragraph 5.5 below.

5.2.3 No fractional shares shall be issued upon conversion of the CCPS B, and the number of Equity Shares to be issued shall be rounded to the nearest whole share (on an aggregate basis, and not on a per share basis).

- 5.2.4 The Conversion Notice shall be dated and shall comprise the following details:
- 5.2.4.1 The number of CCPS B in respect of which the relevant holder of CCPS B is exercising its right under paragraph 5.2.1 of the terms of these CCPS B; and
 - 5.2.4.2 The number of Equity Shares that such CCPS B shall convert into pursuant to paragraph 5.2.1 of the terms of these CCPS B.
- 5.2.5 Upon receiving the Conversion Notice, the Company shall effect the following:
- 5.2.5.1 Convene a meeting of the Board to be held not later than 30 (Thirty) days from the date of the Conversion Notice, in which meeting the Company shall approve:
 - (A) The conversion of such number of CCPS B; and
 - (B) The issuance and allotment of such number of Equity Shares, as are mentioned in the Conversion Notice;
 - 5.2.5.2 The Company and the Founders shall do all such acts and deeds to give effect to the provisions of this paragraph 5.2;
 - 5.2.5.3 The Company shall, as the holder of CCPS B may direct, issue irrevocable instructions to its depository participant to credit the number of Equity Shares issued upon conversion of CCPS B to the demat account of the relevant holder of CCPS B and shall pay the applicable stamp duty, in accordance with Applicable Law, on the issuance and allotment of the Equity Shares upon conversion within 7 (Seven) Business Days from the date of conversion;
 - 5.2.5.4 Update its register of members to reflect such holders of CCPS B as the owner of the corresponding Equity Shares issued to it pursuant to the conversion of such number of CCPS B as are mentioned in the Conversion Notice, and
 - 5.2.5.5 File or make intimations with the Reserve Bank of India or the authorized dealer bank (as may be applicable) under the Foreign Exchange Management Act, 1999 and its regulations, and the jurisdictional Registrar of Companies relevant forms under the Companies (Share Capital and Debentures) Rules, 2014 in respect of allotment of the Equity Shares to the relevant holders of CCPS B, as the case may be, pursuant to such holder exercising its rights in accordance with this paragraph 5.2, and provide it with certified true copies of such form duly filed with the Reserve Bank of India or the authorized

dealer bank (as may be applicable) and the jurisdictional Registrar of Companies along with receipts in respect of such form.

5.2.6 The Company hereby confirms and undertakes that the Equity Shares so allotted under paragraph 5.2.5: (a) shall be allotted free and clear of all Encumbrances; and (b) shall subject to Article 5.2 (*Anti-Dilution*), Article 9 (*Liquidation Preference*) and other provisions of the Articles granting special rights to Equity Shares issued upon conversion of the CCPS B, rank *pari passu* with all existing Equity Shares. For the avoidance of doubt, it is hereby clarified that all stamp duty and related costs on issue and allotment of Equity Shares will be borne and paid by the Company.

5.3 Automatic Conversion for CCPS B

The Company shall convert all the CCPS B based on the CCPS B Reference Price (subject to adjustment set forth herein), if at any time after the Effective Date, the Company proposes to undertake an IPO for the issue of Equity Shares to the public, provided such IPO is approved in accordance with the Articles. The CCPS B shall convert into Equity Shares on the date which is later of (i) the date immediately prior to the filing of the draft red herring prospectus with the Securities and Exchange Board of India (if necessitated by Applicable Law); or (ii) immediately upon expiry of the maximum period permitted under the law after filing of the draft red herring prospectus for holding such CCPS B by the holders of the CCPS B; but in any case shall not be later than the CCPS B Maturity Date (“**CCPS B Automatic Conversion Date**”).

5.4 Conversion Price and Conversion Ratio

The conversion of CCPS B into Equity Shares shall be at a price of INR 4.84 (Rupees Four and Eight Four Paise) per Equity Share (which translates into 20 (*twenty*) Equity Shares on conversion of every 1 (*one*) CCPS B), subject to further adjustments (i) in accordance with the provisions of Article 5.2 (*Anti-Dilution*) of the Articles and (ii) upon issuance of any securities by the Company pursuant to exercise of anti-dilution rights on occurrence of Identified Anti-Dilution Events.

5.5 Valuation Protection

The holders of CCPS B shall be entitled to a broad based weighted average anti-dilution protection mechanism, as provided for in Article 5.2 (*Anti-Dilution*) of the Articles.

6. Liquidation Preference

Upon the occurrence of a Liquidation Event, the holders of CCPS B shall receive liquidation preference in accordance with the terms set out in Article 9 (*Liquidation Preference*) of the Articles read with the order of precedence as set out in paragraph 8 below.

7. Transferability

The CCPS B shall be Transferable in accordance with the terms of the Articles.

8. Precedence

Subject to the terms relating to Liquidation Preference as set out within the Articles, the order of precedence in distribution of assets, dividends, and interest to the holders of Equity Shares and other Securities of the Company shall be as follows:

- (i) First, the holders of CCPS B, along with any declared and unpaid dividend, *pari passu* the holders of CCPS B, along with any declared and unpaid dividend; For the avoidance of doubt, it is clarified that CCPS A and CCPS B shall be *pari passu* in this regard; and
- (ii) Second, the holders of the Equity Shares, in the order of precedence and manner as set out under Article 9 (*Liquidation Preference*) of the Articles.

9. Amendment

Any amendment or variation to the terms, conditions, and characteristics of the CCPS B shall be made in accordance with the procedures and requirements as set out under Section 48 of the Companies Act, 2013.

ANNEXURE E | APPLICATION FORM

Copy of the composite application form attached separately

ANNEXURE F | FINANCIAL INFORMATION

API Holdings Limited (formerly known as API Holdings Private Limited)

Consolidated Balance Sheet as at June 30, 2023

(All amounts in Rupees millions, unless otherwise stated)

Particulars	As at June 30, 2023 (Unaudited)	As at March 31, 2023 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	3,268.26	3,360.93	3,613.83
Right-of-use assets	1,689.96	1,771.81	1,994.89
Capital work-in-progress	52.87	58.57	69.59
Goodwill	70,946.99	70,955.44	70,955.45
Other intangible assets	5,543.28	5,770.99	6,635.14
Intangible assets under development	21.67	10.74	9.97
Investments in equity-accounted investees	2,972.74	2,975.06	2,965.22
Financial assets			
Investments	518.26	167.96	152.79
Other financial assets	416.45	386.78	380.11
Deferred tax assets (net)	134.87	225.31	168.16
Non current tax assets (net)	979.84	872.24	558.46
Other non-current assets	1,091.32	1,182.05	1,457.61
	87,636.51	87,737.88	88,961.22
Current assets			
Inventories	5,745.81	6,887.18	7,612.40
Financial assets			
Investments	623.37	1,231.87	1,261.53
Trade receivables	9,195.32	9,026.88	8,608.50
Cash and cash equivalents	1,082.68	1,811.81	1,543.97
Other bank balances	1,496.17	1,057.72	1,748.18
Loans	1,283.31	1,171.00	555.36
Other financial assets	1,012.31	902.47	757.24
Other current assets	3,388.23	3,599.70	2,934.87
	23,827.20	25,688.63	25,022.05
Total assets	111,463.71	113,426.51	113,983.27
EQUITY AND LIABILITIES			
Equity			
Share capital	6,142.54	6,142.54	6,142.04
Other equity			
Instruments entirely in the nature of equity	54.83	54.83	-
Equity component of compound financial instruments	429.76	78.87	78.90
Reserves and surplus	48,806.51	51,438.35	60,751.91
Equity attributable to owners	55,433.64	57,714.59	66,972.85
Non-controlling interests	3,518.54	3,442.33	3,251.96
Total equity	58,952.18	61,156.92	70,224.81

Particulars	As at June 30, 2023 (Unaudited)	As at March 31, 2023 (Unaudited)	As at March 31, 2022 (Audited)
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	26,719.54	26,002.30	1,000.69
Lease liabilities	973.04	1,254.80	1,505.61
Other financial liabilities	(0.35)	2.47	1,528.19
Provisions	152.65	128.21	129.45
Deferred tax liabilities (net)	1,447.61	1,611.45	1,977.56
Contract liabilities	-	0.17	0.90
	29,292.49	28,999.40	6,142.40
Current liabilities			
Financial liabilities			
Borrowings	9,304.24	9,108.54	24,853.54
Lease liabilities	609.03	399.54	382.52
Trade payables			
-total outstanding dues of micro enterprises and small enterprises	(78.92)	67.87	185.67
-total outstanding dues of creditors other than micro enterprises and small enterprises	3,498.99	3,491.37	4,403.14
Other financial liabilities	8,112.31	8,119.55	5,965.89
Other current liabilities	1,207.09	1,490.14	1,150.26
Contract liabilities	154.80	152.32	189.73
Provisions	311.09	340.45	438.12
Current tax liabilities (net)	100.41	100.41	47.19
	23,219.04	23,270.19	37,616.06
Total liabilities	52,511.53	52,269.59	43,758.46
Total equity and liabilities	111,463.71	113,426.51	113,983.27

* The numbers for Fiscal 2023 and Quarter Ended June 2023 are provisional and unaudited.

API Holdings Limited (formerly known as API Holdings Private Limited)
Consolidated Statement of Profit and Loss for the year ended June 30, 2023
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the period ended June 30, 2023 (Unaudited)	For the year ended March 31, 2023 (Unaudited)	For the year ended March 31, 2022 (Audited)
Income			
Revenue from operations	14,712.21	67,051.20	57,288.21
Other income	55.52	478.37	521.81
Total income	14,767.73	67,529.57	57,810.02
Expenses			
Cost of Material Consumed	372.98	1,569.22	854.60
Purchase of stock-in-trade	10,717.03	55,504.34	52,566.12
Changes in inventories of stock-in-trade	1,211.62	609.47	(2,290.53)
Employee benefits expense	4,549.56	15,685.28	14,589.71
Finance costs	1,455.49	5,202.80	2,582.64
Depreciation and amortisation expense	560.93	2,397.27	1,587.85
Other expenses	1,238.30	9,384.27	15,025.51
Total expenses	20,105.91	90,352.65	84,915.90
Profit / (Loss) before share of profit/(loss) of equity-accounted investees	(5,338.18)	(22,823.08)	(27,105.88)
Share of profit/(loss) of equity-accounted investees	0.22	7.24	6.61
Profit / (Loss) before tax from continuing operations	(5,337.96)	(22,815.84)	(27,099.27)
Exceptional items			
- Impairment of goodwill	-	-	(12,671.00)
- Others	0.01	1.47	62.57
Loss before tax	(5,337.95)	(22,814.37)	(39,707.70)
Tax expense			
Current tax	94.43	377.36	342.74
Deferred tax charge / (credit)	(53.91)	(423.76)	(125.48)
Tax expense pertaining to prior periods	-	0.69	-
Total tax expense / (credit)	40.52	(45.71)	217.26
Profit / (Loss) for the year	(5,378.47)	(22,768.66)	(39,924.96)
Other comprehensive income			
	-	-	-
Items that will not be reclassified to profit and loss			
Remeasurements of post-employment defined benefit plans	1.96	75.68	105.98
Share of OCI of equity accounted investees	-	-	-
Income tax relating to above items	(0.49)	(5.40)	0.07
Other comprehensive income	1.47	70.28	106.05
Total comprehensive income	(5,377.00)	(22,698.38)	(39,818.91)

Particulars	For the period ended June 30, 2023 (Unaudited)	For the year ended March 31, 2023 (Unaudited)	For the year ended March 31, 2022 (Audited)
Profit/(loss) for the period attributable to:			
- Owners of API Holdings Limited	(5,454.50)	(22,949.84)	(40,276.98)
- Non controlling interest	76.03	181.18	352.02
	(5,378.47)	(22,768.66)	(39,924.96)
Other comprehensive income / (loss) for the period attributable to:			
- Owners of API Holdings Limited	1.05	70.28	106.28
- Non controlling interest	0.42	-	(0.23)
	1.47	70.28	106.05
Total comprehensive income / (loss) for the period attributable to:			
- Owners of API Holdings Limited	(5,453.45)	(22,879.56)	(40,170.70)
- Non controlling interest	76.45	181.18	351.79
	(5,377.00)	(22,698.38)	(39,818.91)
Loss per share (face value of Rs. 10 each) attributable to owners of the group			
Basic	(0.89)	(3.74)	(7.28)
Diluted	(0.89)	(3.74)	(7.28)
* The numbers for Fiscal 2023 and Quarter Ended June 2023 are provisional and unaudited.			

API Holdings Limited (formerly known as API Holdings Private Limited)
Consolidated Statement of Cash Flows for the year ended June 30, 2023
(All amounts in Rupees millions, unless otherwise stated)

Particulars	For the period ended June 30, 2023 (Unaudited)	For the year ended March 31, 2023 (Unaudited)	For the year ended March 31, 2022 (Audited)
A. Cash flow from operating activities			
Loss before tax	(5,337.95)	(22,814.37)	(39,707.70)
Adjustments for :			
Depreciation and Amortisation Expenses	560.93	2,397.27	1,587.85
Finance Costs	1,453.61	5,202.86	2,582.64
Net (gain)/ loss on sale of property, plant and equipment	9.52	64.58	6.19
Bad debts written off	0.02	16.18	3.61
(Gain)/loss on fair valuation of financial instruments measured at fair value through profit and loss (net)	(4.51)	(60.78)	(91.51)
(Gain)/loss on sale of financial assets measured at fair value through profit and loss (net)	(0.21)	(8.17)	(27.70)
Gain in fair value of contingent consideration	-	-	(62.57)
Impairment of goodwill	-	-	12,671.00
(Gain) on termination /modification of leases	(9.11)	(74.04)	(18.92)
Liabilities no longer required written back	-	(36.63)	(30.09)
Share based payment expense	3,205.83	9,106.77	6,300.45
Unwinding of interest on security deposits	(5.55)	(22.87)	(17.06)
Impairment allowance for doubtful advances and statutory dues	13.99	254.39	1,931.12
Expected credit loss provision on financial assets	38.74	419.33	347.60
Share of (gain) / loss of equity accounted investees	(0.22)	(7.24)	(6.61)
Amortisation of financial guarantee liability	-	-	(9.28)
Sundry balance written off	-	-	71.06
Profit on sale of business undertaking	-	-	(21.30)
Interest income	(34.47)	(199.22)	(247.21)
Operating profit / (loss) before working capital changes	(109.38)	(5,761.94)	(14,738.43)
Changes in working capital:			
(Increase)/decrease in other current and non-current financial assets	108.07	(49.25)	(2,409.99)
(Increase)/decrease in other current and non-current assets	147.21	(92.09)	(512.04)
(Increase)/decrease in trade receivables	(219.32)	(853.89)	(2,256.63)
(Increase)/decrease in inventories	(552.23)	725.22	(1,954.94)
Increase/(decrease) in other current and non-current financial liabilities	1,247.03	843.09	(3,530.67)
Increase/(decrease) in other current and non-current liabilities	(21.70)	(401.45)	283.58
Increase/(decrease) in trade payables	(103.55)	(1,031.90)	(183.36)
Increase/(decrease) in provisions	204.20	(28.63)	139.09
Increase/(decrease) in contract assets	3.28	-	-
Increase/(decrease) in contract liabilities	(46.55)	(38.14)	114.11
Cash generated from operations	657.06	(6,688.98)	(25,049.28)
Income taxes paid (net)	(216.60)	(612.09)	(844.41)
Net cash flow generated / (used) in operating activities (A)	440.46	(7,301.07)	(25,893.69)
B. Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets	(378.10)	(922.69)	(1,430.99)
Proceeds from sale of property, plant and equipment and intangible assets	12.75	42.65	50.86
Investment made in equity instruments	-	-	(20.90)
Investment in equity accounted investees	-	-	(2,548.00)
Investment in compulsorily convertible preference shares	-	-	(123.76)
Payments for purchase of investments	28.39	(37.77)	-
Investment in mutual funds	(730.00)	(1,757.49)	(980.00)
Sale of mutual funds	1,314.84	1,895.31	803.90
Loans and advances given	(111.67)	(615.63)	-
Loan to related parties	-	-	(551.22)
(Increase)/decrease in other bank balances	(276.61)	656.66	(777.71)
Interest received	5.61	93.42	236.11
Sale of business undertaking	-	-	42.50
Consideration paid for business acquisitions (net of cash and cash equivalents acquired)	-	(355.12)	(52,592.85)
Net cash flow used in investing activities (B)	(134.79)	(1,000.66)	(57,892.06)

Particulars	For the period ended June 30, 2023 (Unaudited)	For the year ended March 31, 2023 (Unaudited)	For the year ended March 31, 2022 (Audited)
C. Cash flow from financing activities			
Proceeds from issue of equity instruments	-	-	63,521.76
Payment of share issue costs	-	-	(131.57)
Proceed from issue of instruments entirely in the nature of equity	-	5,483.46	47.89
Proceed from issue of compulsorily convertible instruments	-	-	3,209.33
Payment of dividend	(274.93)	(228.66)	-
Employee share options bought-back during the year/period	-	-	(858.76)
Proceeds / (repayments) from short term borrowings (net)	(108.99)	(14,785.61)	22,257.78
Repayment of long term borrowings	(93.98)	(4,712.10)	(4,163.05)
Proceeds from long term borrowings	259.28	25,970.79	2,066.18
Finance costs paid	(518.45)	(2,570.91)	(2,649.74)
Principal element of lease payments	(130.48)	(603.58)	(246.14)
Net cash flow (used) / generated from financing activities (C)	(867.55)	8,553.39	83,053.68
Net cash flows during the year (A+B+C)	(561.88)	251.66	(732.07)
Cash and cash equivalents (opening balance)	1,815.01	1,568.76	2,300.83
Cash and cash equivalents (closing balance)	1,253.13	1,820.42	1,568.76
Cash and cash equivalents at the end of the year			
Comprises :			
Cash on hand	26.51	38.00	28.75
Cheque in hand	-	-	3.03
Balance with banks			
In current accounts	1,050.98	1,768.49	1,512.09
In deposit accounts	5.19	5.32	0.10
Add: Earmarked funds with banks	170.45	8.61	42.41
Less: Temporary book overdraft	-	-	(17.62)
	1,253.13	1,820.42	1,568.76
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Ind AS - 7 on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.			
* The numbers for Fiscal 2023 and Quarter Ended June 2023 are provisional and unaudited.			

ANNEXURE G | RESTRICTIONS ON PURCHASES AND REALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the CCPS B to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to the Company, the Rights Entitlements or the CCPS B in any jurisdiction where action for such purpose is required.

The Rights Entitlements and the CCPS B have not been and will not be registered under the Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs).

The Rights Entitlements and the CCPS B may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the CCPS B may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

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

This Letter of Offer and its accompanying documents will be 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 CCPS B, or who purchases the Rights Entitlements or the CCPS B shall do so in accordance with the restrictions set out below.

United States

The Rights Entitlements and the CCPS B have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and CCPS B referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulation S under the Securities Act and in the United States to “qualified institutional buyers” (as defined in Rule 144A under the Securities Act) pursuant to Section 4(a)(2) under the Securities Act and other

exemptions from the registration requirements of the Securities Act. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the CCPS B to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from the Company or the Registrar.

For Investors in the United States

The Rights Entitlements and the CCPS B may only be acquired by persons in the United States who are U.S. QIBs pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. If you are in the United States, you may not exercise any Rights Entitlements and/or acquire any CCPS B offered hereby unless you are a U.S. QIB and have been invited to participate directly by the Company.

All offers and sales in the United States of the Rights Entitlements and the CCPS B have been, or will be, made solely by the Company. The Company's financial advisors are not making any offers or sales of the Rights Entitlements, the CCPS B or any other security with respect to this Rights Issue in the United States.

Each person in the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any CCPS B and accepting delivery of any Rights Entitlements or any CCPS B, 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 CCPS B 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 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 CCPS B, and, if the purchaser is exercising the Rights Entitlements and acquiring the CCPS B 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 CCPS B on behalf of each owner of such account.
2. 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 CCPS B involves a considerable degree of risk and that the Rights Entitlements and the CCPS B are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.

3. 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 CCPS B in any jurisdiction; and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the CCPS B 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. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the CCPS B of the restrictions set forth in the Letter of Offer under “Annexure G. Restrictions on Purchases and Resales”.
4. Without limiting the generality of the foregoing, the purchaser is aware and understands (and each account for which it is acting has been advised and understands) that (i) the Rights Entitlements and the CCPS B have not been and will not be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States; (ii) any offer and sale of the Rights Entitlements or the CCPS B in the United States is being made pursuant to Section 4(a)(2) under the Securities Act and other exemptions from the registration requirements of the Securities Act; and (iii) the Rights Entitlements and the CCPS B are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act; and it agrees, on its own behalf and on behalf of any accounts for which it is acting, that for so long as the Rights Entitlements or the CCPS B are “restricted securities”, it will not reoffer, resell, pledge or otherwise transfer any Rights Entitlements or the CCPS B which it may acquire, or any beneficial interest therein, except in a transaction exemption from or not subject to the registration requirements of the Securities Act.
5. The purchaser is a U.S. QIB, and if it is acquiring the Rights Entitlements or the CCPS B as a fiduciary or agent for one or more investor accounts, each owner of such account is a QIB. To the extent the purchaser exercises the Rights Entitlements and subscribes for the CCPS B, it will exercise such Rights Entitlements and acquire such CCPS B for its own account, or for the account of one or more U.S. QIB(s) as to which the purchaser has full investment discretion, in each case for investment purposes, and not with a view to any resale, distribution or other disposition (within the meaning of U.S. securities laws) of the Rights Entitlements or the CCPS B.
6. To the extent the purchaser exercises the Rights Entitlements and subscribes for the CCPS B, it acknowledges and agrees that it is not acquiring or subscribing for the Rights Entitlements or the CCPS B as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the Securities Act). The purchaser understands and agrees that although offers and sales of the Rights Entitlements and the CCPS B are being made in the United States to U.S. QIBs, such offers and sales are being

made pursuant to Section 4(a)(2) of the Securities Act or other exemptions from the registration requirements of the Securities Act.

7. The purchaser understands and acknowledges that all offers and sales in the United States of the Rights Entitlements and the CCPS B have been, or will be, made solely by the Company, and that the Company's financial advisors are not making any offers or sales of the Rights Entitlements, the CCPS B or any other security with respect to this Rights Issue in the United States.
8. The purchaser understands that the Company's financial advisors have not performed any diligence with respect to the Company or this Rights Issue.
9. Neither the purchaser nor 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 the Company to facilitate the sale or resale of the Rights Entitlements or the CCPS B pursuant to the Rights Issue;
10. To the extent the purchaser exercises the Rights Entitlements and subscribes for the CCPS B, it agrees not to deposit any CCPS B into any unrestricted depository facility maintained by any depository bank unless and until such time as the Rights Entitlements or the CCPS B are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.
11. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the CCPS B, the purchaser (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 this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to the Company and the Rights Entitlements and the CCPS B which it believes is necessary or appropriate for the purpose of making its investment decision, and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of the Company concerning the financial condition and results of operations of the Company and the purchase of the Rights Entitlements or the CCPS B, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the CCPS B; (v) will have conducted its own due diligence on the Company and this Rights Issue, and will have made its own investment decisions based upon its own judgment, 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 the Company or its affiliates or the Company's financial advisors (other than, with respect to the Company and any

information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the CCPS B is suitable and appropriate, both in the nature and number of CCPS B being subscribed.

12. The purchaser understands that this Letter of Offer has been prepared in accordance with content, format and style which may differ from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) the Company's financial information contained in this Letter of Offer have been prepared in accordance with Indian Accounting Standards and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the US SEC, and (ii) this Letter of Offer does not include all of the information that would be required if the Company were registering the Rights Issue with the US SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Rights Issue, and the Rights Entitlements or the CCPS B, including this Letter of Offer (collectively, the "**Information**"), has been prepared solely by the Company; and (ii) none of financial advisors nor any of their affiliates have verified such Information, and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the financial advisors or their affiliates as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold the Company, the financial advisors or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by the Company to it. It acknowledges that no written or oral information relating to this Rights Issue, and the Rights Entitlements or the CCPS B has been or will be provided by the financial advisors or their affiliates to it.
15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the CCPS B. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the CCPS B, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the CCPS B, and is able to sustain a complete loss in connection therewith and it will not look

to the Company, or to financial advisors, for all or part of any such loss or losses it may suffer.

16. The purchaser understands and acknowledges that the financial advisors are assisting the Company in respect of this Rights Issue and that the financial advisors are acting solely for the Company and no one else in connection with this Rights Issue and, in particular, are not providing any service to it, making any recommendations to it, advising it regarding the suitability of any transactions it may enter into to subscribe or purchase any Rights Entitlements or CCPS B nor providing advice to it in relation to the Company, this Rights Issue or the Rights Entitlements or the CCPS B. Further, to the extent permitted by law, it waives any and all claims, actions, liabilities, damages or demands it may have against the financial advisors arising from its engagement with the Company and in connection with this Rights Issue.
17. The purchaser understands that the Company cannot determine with certainty, and has not determined, whether the Company may be treated as a “passive foreign investment company” (a “**PFIC**”) for U.S. federal income tax purposes for the current taxable year, and may not be able to make such a determination in future years and, in the event the Company is treated as a PFIC, will not provide information required for it to make a “qualified electing fund” election, and that there may be certain adverse consequences under United States tax laws if the Company were to be a PFIC in the current or any future taxable year in which it may hold Equity Shares. In addition, in the event the Company is treated as a PFIC, it will be subject to certain U.S. Internal Revenue Service information reporting obligations. It understands that a separate determination must be made each year as to the Company’s PFIC status. The purchaser acknowledges and confirms that it has made and relied entirely upon its own assessment as to whether, and the consequences to it if, the Company has been, is, continues to be, may be, or becomes a PFIC for United States federal income tax purposes.
18. The purchaser’s exercise of the Rights Entitlements and subscription for the CCPS B and consummation of the transactions contemplated by this Letter of Offer, does not and will not constitute or result in a prohibited transaction under the U.S. Employee Retirement Income Securities Act of 1974 or Section 4975 of the U.S. Internal Revenue Code of 1986 for which an exemption is not available;
19. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the CCPS B will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither the Company, nor 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 (other than U.S. QIBs) or outside of India and the

United States and ineligible to participate in this Rights Issue under applicable securities laws.

20. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that the Company and the financial advisors, their affiliates and others (including legal counsels to the Company) will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Rights Issue or the issuance of the CCPS B, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the CCPS B is no longer accurate, it shall promptly notify the Company in writing.

Any person in the United States who obtains a copy of this Letter of Offer, or its accompanying documents and who is not a U.S. QIB is required to disregard it.

For Investors Outside of the United States

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

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any CCPS B and accepting delivery of any Rights Entitlements or any CCPS B, 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 CCPS B 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):

- (i) Each of the representations, warranties and agreements in numbered paragraphs 1 through 4 (inclusive), paragraphs 7 through 16 (inclusive) and paragraphs 19 and 2 under the heading “*Annexure G. Restrictions on Purchases and Resales – United States – For Investors in the United States*”.
- (ii) The purchaser (i) is aware that the Rights Entitlements and the CCPS B have not been and will not be registered under the 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 CCPS B are, outside the United States and eligible to subscribe for Rights Entitlements and CCPS B in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the CCPS B in an offshore transaction meeting the requirements of Regulation S.

- (iii) No offer or sale of the Rights Entitlements or the CCPS B 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 Securities Act).
- (iv) The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the CCPS B are, entitled to subscribe for the CCPS B, and the sale of the CCPS B to it will not require any filing or registration by, or qualification of, the 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.
- (v) The purchaser, and each account for which it is acting, satisfies all suitability standards for investors in investments in the Rights Entitlements and the CCPS B imposed by the jurisdiction of its residence.

Dubai International Financial Centre

The Rights Entitlements and the CCPS B have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the “**DFSA**”); and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module of the DFSA rulebook.

European Economic Area

In relation to each Member State of the European Economic Area and the United Kingdom (each a “**Relevant State**”), neither the Rights Entitlements nor the CCPS B have been offered or will be offered pursuant to the Rights Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the CCPS B which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulations, except that offers of the Rights Entitlements and the CCPS B may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- (i) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the Global Coordinators and Lead Managers and Lead Managers for any such offer; or

- (iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Rights Entitlements and the CCPS B shall require the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any Rights Entitlements and the CCPS B in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights Entitlement and CCPS B to be offered so as to enable an investor to decide to purchase or subscribe for any Rights Entitlement and CCPS B, and the expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129.

Hong Kong

The Rights Entitlements and the CCPS B may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the CCPS B may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the CCPS B which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Mauritius

The Rights Entitlements and the CCPS B may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither the Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the CCPS B may be released or issued to the public in Mauritius or used in connection with any such offer. The Letter of Offer does not constitute an offer to sell the Rights Entitlements and the CCPS B to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Singapore

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, Neither the Letter of Offer nor any other document or

material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the CCPS B may be circulated or distributed, nor may the Rights Entitlements and the CCPS B be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the “**Securities and Futures Act**”), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the CCPS B are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Arab Emirates

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “**UAE**”) or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the CCPS B have not been and will not be offered, sold or publicly promoted or advertised in the United Arab Emirates in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of such securities. The Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

United Kingdom

No Rights Entitlement or CCPS B have been offered or will be offered pursuant to the Rights Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Rights Entitlement or CCPS B which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of

the Prospectus Amendment etc (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Rights Entitlement and CCPS B at any time:

- (i) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- (ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or
- (iii) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Rights Entitlement or CCPS B shall require the Company to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an “offer to the public” in relation to the Rights Entitlement and CCPS B in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Rights Entitlement and CCPS B to be offered so as to enable an investor to decide to purchase or subscribe for any Rights Entitlement and CCPS B and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

ANNEXURE H |

TIMELINES FOR SUBMISSION OF APPLICATION FORMS AND ALLOTMENT OF CCPS B TO OTHER ELIGIBLE PERSONS

Sr. No.	Action Item	Timelines ⁶
1.	Notice to be issued to:- (A) Pre-emption Exercisee; and (B) holders of CCPS A, if any Unsubscribed Rights Issue Amount is remaining after full allotment to the Pre-emption Exercisees in the manner as stated in (A) above, to the extent of approximately INR 520.25 crore containing intimation on the quantum of remaining Unsubscribed Rights Issue Amount that can be subscribed by such party and calling upon them to submit Application Form (template of which shall be provided by the Company) along with the application monies in terms of this Letter of Offer	By November 8, 2023
2.	Pre-emption Exercisees and holders of CCPS A to submit Application Form and deposit application monies	By November 16, 2023
3.	Notice to be issued to ESOP holders, if any Unsubscribed Rights Issue Amount is remaining after full allotment to the Pre-emption Exercisees and holders of CCPS A in the manner as stated in item no. 1 above, containing intimation on the quantum of remaining Unsubscribed Rights Issue Amount that can be subscribed by such party, to the extent of approximately INR 426.50 crore and calling upon them to submit Application Form (template of which shall be provided by the Company) along with the application monies in terms of this Letter of Offer	By November 23, 2023
4.	Allotment of CCSP B to Pre-emption Exercisees to the extent they shall have participated in the Unsubscribed Rights Issue Amount; and (B) holders of CCPS A	By November 26, 2023

⁶ Note: The timelines mentioned here are indicative and may be extended by such period as may be decided by the Board

5.	ESOP holders to submit Application Form along with other relevant details including the details of depository account where the ESOP holders want the CCPS B to be credited and deposit application monies.	By November 30, 2023
6.	Notice to be issued to Incoming Investor, if any Unsubscribed Rights Issue Amount is remaining after full allotment to the ESOP holders in the manner as stated in item no. 3 above, containing intimation on the quantum of remaining Unsubscribed Rights Issue Amount that can be subscribed by the such party and calling upon them to submit Application Form (template of which shall be provided by the Company) along with the application monies in terms of this Letter of Offer	By December 5, 2023
7.	Allotment of CCSP B to ESOP holders	By December 8, 2023
8.	(i) Incoming Investor to intimate the Board immediately upon receipt of CCI Approval and deposit Application Form along with application monies and other relevant documents; (ii) Other Eligible Persons, in terms of Clause 3 of para C of Annexure C of this Letter of Offer, who have intimated the Board that they are required to obtain CCI Approval for subscribing to CCPS B and who have obtained CCI Approval to make payment of respective application monies to the Company	By January 25, 2024
9.	Allotment of CCSP B to Incoming Investors	By February 4, 2024
10.	Offer and allotment to any Persons, in terms of Clause 1(v) of para B of Annexure C of this Letter of Offer, at sole discretion of and in the manner to be decided by the Board.	<i>(to be decided by the Board)</i>