Draft Letter of Offer
May 8, 2023
For Eligible Equity Shareholders only

BROOKS LABORATORIES LIMITED

Corporate Identification Number: L24232HP2002PLC000267

Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. We received Certificate of Commencement of Business dated February 19, 2002, issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh. There has been no change in the name of our Company since incorporation.

Registered Office: Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India
Corporate Office: ***(Address where books of account and papers are maintained):*** 201, The Sumit Business Bay, Off. Andheri Kurla Road, Opposite Guru Nanak Petrol Pump, Andheri East, Mumbai-400093, Maharashtra, India
Tel: +91 22 6193 3100; **Website:** www.brookslabs.net; **E-mail:** cs@brookslabs.net
Contact Person: Jai Prakash Vaidya, Company Secretary and Compliance Officer

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

ISSUE OF UP TO [●]/- EQUITY SHARES WITH A FACE VALUE OF ₹ 10/- EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●]/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹1,200.00 LAKHS ON RIGHTS BASIS IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. [●]. THE ISSUE PRICE IS [●] TIMES OF THE FACE VALUE OF THE RIGHTS EQUITY SHARES.

PROMOTERS OF OUR COMPANY: MR. ATUL RANCHAL AND MR. RAJESH MAHAJAN

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

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

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. **Specific attention of the Investors is invited to the section "Risk Factors" on page** Error! Bookmark not defined. **before making an investment in the Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("BSE", and together with NSE, the "Stock Exchanges"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated [●] and [●] respectively. For the purposes of the Issue, the Designated Stock Exchange is BSE.

REGISTAR TO THE ISSUE

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Tel No: + 91 810 811 4949
Email: brooks.rights2023@linkintime.co.in
Investor Grievance Email: brooks.rights2023@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
Contact Person: Sumeet Deshpande

ISSUE PROGRAMME

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

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

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Company Related Terms

Term	Description
"Brooks Laboratories Limited", "BLL" or "our Company" or "the Issuer'	Unless the context otherwise requires, refers to Brooks Laboratories Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Company.
Annual Financial Statements	The consolidated audited financial statements of the Company as at and for the financial year ended March 31, 2022 which comprises the balance sheet as at March 31, 2022 and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹10.00 each unless otherwise specified in the context thereof.
Financial Statements	Consolidated Audited Financial Statements for FY 2022 and Limited Review Report for 9 months period ended December 31, 2022.
Limited Review	Limited Reviewed Consolidated Financial Results for the 9 months period ended December 31, 2022
Independent Directors	Independent Directors on our Board, and eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see *"Our Management"* beginning on page 54**.**
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations.
Promoters	Atul Ranchal and Rajesh Mahajan
Registered Office	The registered office of our Company situated at Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India.
Registrar of Companies / RoC	Registrar of Companies, Himachal Pradesh
Statutory Auditor	The Statutory Auditor of our Company, being M/s. S G C O & Co. LLP, Chartered Accountants.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotment /Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, including an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant(s) / ASBA Investor	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process.
Bankers to the Issue/ Public Issue Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The draft letter of offer dated May 8, 2023 filed with BSE Limited and National Stock Exchange of India Limited in accordance with the SEBI ICDR Regulations
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Rights Issue Account and Refund Account will be opened, in this case being, [●].
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date

Term	Description
Equity Shareholder/ Shareholder	Means a holder of Equity Shares of our Company
Investor(s)	Equity Shareholders as on Record Date and/or Renouncees applying in the Issue.
Issue	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 1,200.00 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹[●] lakhs
Lead Manager	Not Applicable
Letter of Offer	The final letter of offer to be filed with the Stock Exchanges after incorporating observations received from Stock Exchange on the Draft Letter of Offer
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "*Objects of the Issue*" on page 37.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before [●].
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Draft Letter of Offer
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Issue Account	The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Rights Issue Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].

Term	Description
SCSB(s)	Self certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful defaulter or a Fraudulent Borrower	means a person or an issuer who or which is categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical / Industry Related Terms

Term	Description
AIDS	Acquired Immune Deficiency Syndrome
API	Active Pharma Ingredients
ASSOCHAM	The Associated Chambers of Commerce of India
BCG	Boston Consulting Group
Covid 19	Corona Virus
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
HFIs	High-Frequency Indicators
IBEF	Indian Brand Equity Foundation
M&A	Mergers and Acquisitions
MUDRA	Micro Units Development and Refinance Agency
NASSCOM	The National Association of Software and Service Companies
PE	Private Equity
SPI Scheme	Strengthening of Pharmaceutical Industry
USFDA	US Food and Drug Administration
WHO	World Health Organization

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor Degree in Engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor Degree in Science

Term	Description
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant’s identity number
EBITDA	Earnings before interest, depreciation, tax, amortization and extraordinary items
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees’ Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees’ Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees’ State Insurance Act, 1948
ESIC	Employees’ State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual

Term	Description
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization
IT Act	Income Tax Act,1961 as amended from time to time except as stated otherwise
JV	Joint Venture
KMP	Key Managerial Personnel
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian

Term	Description
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body / OCB	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. **OCBs are not allowed to invest in this Issue.**
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	Registrar of Companies, Himachal Pradesh
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour

Term	Description
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer and the issue of the Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer was filed with BSE and NSE for their observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ letter of Offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (***Securities Act***), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (***United States*** or ***U.S.***) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (***Regulation S***), except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on our behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

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

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Draft Letter of Offer, the terms "we", "us", "our", the "Company", "our Company", unless the context otherwise indicates or implies, refers to Brooks Laboratories Limited.

Use of Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from Consolidated Financial Statements for FY 2022 and Limited Review Report on Consolidated financial 9 months period ended December 31, 2022 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Draft Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "Risk Factors" have been calculated on the basis of the Consolidated Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency and units of presentation

In this Draft Letter of Offer, unless the context otherwise requires, all references to (a) 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India; (b) 'US Dollars' or 'US$' or 'USD' or '$' are to United States Dollars, the official currency of the United States of America. All references to the word 'Lakh' or 'Lac' or 'Lacs', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Consolidated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Draft Letter of Offer is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Letter of Offer that are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Draft Letter of Offer regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer "*Risk Factors*" on page **Error! Bookmark not defined.**.

Forward looking statements reflects views as of the date of this Draft Letter of Offer and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Primary business of the Issuer and the industry:

Summary of Business:

We are in the manufacturing and marketing of pharmaceuticals nationally & internationally. We have our own manufacturing Unit at Baddi, Himachal Pradesh. We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc. Our products range include:

- Liquid Injection
- Dry Powder Injection
- Tablets
- Oral Suspension

We have a joint venture with Steriscience Specialities Private Limited at Vadodara for manufacture of carbapenem injectables. The capacity of Vadodara plant is 25 million vials per annum.

Summary of Industry:

Indian Pharmaceutical Industry
Source: https://www.ibef.org/industry/pharmaceutical-india

INTRODUCTION

India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has the most number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

For further information please refer to the section 'Industry Overview' beginning on page 45 of the Draft Letter of Offer.

B. Names of the promoters

Atul Ranchal and Rajesh Mahajan are the promoters of our Company.

C. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs upto)
1.	Funding the working capital requirements of our Company	[●]
2.	General Corporate Purposes	[●]
3.	To meet Issue Expenses	[●]
	Total	[●]

D. Subscription to the Issue by our Promoters and Promoter Group

Pursuant to the letter dated May 8, 2023, our Promoters and members of the Promoter Group, has undertaken that they may or may not:

a. subscribe, jointly and / or severally to the extent of their Rights Entitlements;
b. subscribe, jointly and / or severally to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company;
c. may renounce their Right Entitlements fully or in part in favour of any third party other than the Promoters and members of the Promoter Group ; and
d. at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Draft Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, pursuant to this Issue.

E. Summary of Outstanding Litigations:

For details *regarding* the same, please refer to the chapter titled '*Outstanding Litigations and Material Developments*' beginning on page 130 of the Draft Letter of Offer.

F. Risk Factors:

Please see '*Risk Factors*' beginning on page **Error! Bookmark not defined.**.

G. Summary of Contingent Liabilities of our Company:

Our Company has following contingent liabilities as of December 31, 2022:

Contingent liabilities and commitments
(A) Contingent liabilities
I)Guarantees

Rs. Lakhs

Particular	As at 31 Dec 2022	As at 31 March 2022
i) Bank guarantee	173.70	163.28
ii) Guarantee on behalf of subsidiaries*	1,482.38	1,682.72

* Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks

II) Other money for which the company is contingently liable

Rs. Lakhs

Particular	As at 31 Dec 2022	As at 31 March 2022
Disputed liability in respect of Income tax (Refer Note below)	584.53	584.53
Claims against the company not acknowledged as debts	8.84	8.84

The Company has received Notice of Demand u/s 156 of the Income Tax Act, 1961 for the three assessment years and company has filed an appeal against the same. Details of the same are given as follows :

Rs. Lakhs

A.Y to which matter pertains	Demand amount raised till 31 Dec 2022	Stay amount paid till 31 Dec 2022	Demand amount raised tili FY 21-22	Stay amount paid till FY 21-22
2012-13*	28.04	0.00	28.04	0.00
2013-14	339.51	101.00	339.51	101.00
2014-15	142.85	21.45	142.85	21.45
2015-16	0.68	0.00	0.68	0.00
2016-17	73.45	51.45	73.45	51.45
Total	**584.54**	**173.90**	**584.53**	**173.90**

* Rectification has already been filed with Income Tax Department for AY 2012-13 for deletion of demand of Rs. 8.99 crores raised in order passed u/s 143(3) for which Vivad Se Vishwas Scheme has been opted.
All Demands mentioned above have been considered as per demand notice issued on that date. Interest thereafter not considered.

(B) Commitments

Rs. Lakhs

Particular	As at 31 Dec 2022	As at 31 March 2022
II) EPCG commitment (Refer Note below)	-	-
ii) Duty against the material imported on Advance license (Refer Note below)	67.95	67.95

The Company has obtained license under Export Promotion Capital Goods Scheme (EPCG) for purchase of capital goods on zero percent/ reduced custom duty. The Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export obligations of USD 5.82 million against EPCG licences have been submitted for Export obligation discharge certificate (EODC). EODC issuance is pending.

In case of advance licence, material must be exported within 18 months from the date on which goods were cleared from Customs under advance licence.

H. Summary of Related Party Transactions:

For details of the related party transactions, as reported in the Consolidated Financial Statements, see "*Consolidated Financial Statements*" on page 60.

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

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

J. Any split/consolidation of equity shares in the last one year.

Our Company has not undertaken any split/consolidation of equity shares in the last one year preceding the date of this Draft Letter of Offer.

SECTION III - RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Draft Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

This Draft Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward Looking Statements" on page ***Error! Bookmark not defined.****.*

Unless otherwise stated, the financial information used in this section is derived from our Company's consolidated financial statements as of and for the nine months period ended December 31, 2022 and audited consolidated financial statements as of and for the year ended March 31, 2022.

INTERNAL RISKS

1. There are three criminal proceedings pending against Company and our Promoters, Atul Ranchal and Rajesh Mahajan whose outcome may have an adverse effect on the business and reputation of our Company.

There are three criminal proceedings pending against our Company and our Promoters, Atul Ranchal and Rajesh Mahajan which are pending before various courts relating to violation of certain of the provisions of the Drugs and Cosmetics Act, 1940 with respect to batches of certain products manufactured by our Company in the past. Any adverse outcome in these cases could have an adverse impact on the business and reputation of our Company. This proceeding may have an impact on our corporate image, reputation, client relationships. Our business, prospects and reputation could be materially and adversely affected as a result. For details in relation to this matter, refer "Outstanding Litigation and Material Developments" beginning on page 130.

2. Our Company is involved in certain legal proceedings, which, if determined adversely, may adversely affect our business, results of operations and prospects.

Our Company is involved in certain legal proceedings (including tax and commercial disputes) at different levels of adjudication before various courts, tribunals and appellate authorities. A summary of the proceedings involving our Company including the aggregate approximate amount involved to the extent ascertainable, is provided below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Assessment Year 2009-10	1	2.63
Assessment Year 2012-13	1	1,400.72
Assessment Year 2013-14	1	339.51
Assessment Year 2014-15	1	142.85
Assessment Year 2015-16	1	0.68
Assessment Year 2016-17	1	73.45
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

The amounts claimed in these proceedings have been disclosed to the extent ascertainable. We may incur significant expenses and management time in such legal proceedings. Any adverse ruling in any of the above proceedings or consequent levy of penalties by other statutory authorities may render us / them liable to liabilities / penalties and may have a material adverse effect on our reputation, business, financial condition and results of operations, which could adversely affect the trading price of our Equity Shares. For further details regarding these legal proceedings, refer 'Outstanding Litigation and Material Developments' on page 130.

3. ***Our Company, our Promoters, certain of our erstwhile Directors and erstwhile Key managerial Personnel, were in the past, debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market by SEBI for a period of five years commencing from December 28, 2011.***

In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our erstwhile Chairman), Mr. Rajesh Mahajan (our erstwhile Managing Director), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, inter alia (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to Securities Market) Regulations, 2003 ("PFUTP Regulations") and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer ("AO") of SEBI vide order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon'ble Securities Appellate Tribunal, Mumbai ("Hon'ble SAT") against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon'ble SAT vide its order dated March 21, 2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

Vide the said order dated March 21, 2018 the Hon'ble SAT upheld the decision of the AO that (a) the appellants have indulged in round tripping of funds; (b) failure to disclose material information relating to appointment of an entity for the project work and failure to disclose advance payment of ₹15.30 crore to such entity was in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (c) false and misleading statements were made in the RHP and Prospectus relating to the cost of construction in violation of the PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (d) failure to disclose appointment of an entity for supply of plant and machinery and failure to disclose advance payment of ₹13.97 crore made to such entity was in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (e) even after appointing an entity for supply of plant and machinery, false and misleading statements were made in the RHP and Prospectus relating to the purchase of plant and machinery, in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (f) the appellants failed to disclose raising of funds amounting to ₹30.40 crore through ICDs in the RHP and the Prospectus in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009; (g) false and misleading statements were made in the RHP/Prospectus that the Company has not raised any bridge loan to be repaid from the IPO proceeds in violation of PFUTP Regulations and SEBI (ICDR) Regulations, 2009. Further, the Hon'ble SAT held that the decision of the AO cannot be sustained that (a) receipt of ₹8.00 crore by way of ICDs from the four connected entities was a fictitious and illusory ICD and hence repayment of ₹8.00 crore to the four connected entities amounts to siphoning of IPO funds; and (b) the appellants have mis-utilized Rs.2.50 crore from IPO funds by financing an entity through layer of entities, to trade in the shares of the Company.

The aforesaid appellants have paid the said penalty amount aggregating to Rs.1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon'ble SAT vide the said order dated March 21, 2018.

Further, please refer “Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action” under the section “Outstanding Litigations And Material Developments” beginning on page 130 of this Draft Letter of Offer

4. ***There has been a delay in the implementation schedule of the project which was funded through our maiden IPO in August 2011the proposed public issue. Further there has also been change in the location of plant with respect to what was mentioned in the earlier Prospectus.***

Our Company had raised ₹ 6,300 Lakhs from the IPO in FY 2011-12. The funds were to be utilized for setting up of new plant in JB SEZ, Panoli Gujarat and the project was to be completed by May 2012. However there was delay in implementation of the project and there was also change in the location of the project to Vadodara (Baroda), Gujarat. Our Company had taken the approval of the shareholders for the to vary, amend, modify and/or revise the utilisation of the proceeds from the IPO vide AGM dated September 25, 2012. The Unit in Vadodara, Gujarat commenced the commercial production in March 2017.

5. ***We may be unable to obtain, renew or maintain statutory and regulatory permits, licenses and approvals required to operate our business and operate our manufacturing facilities, which could result in an adverse effect on our results of operations.***

We require various statutory and regulatory permits, licenses and approvals to operate our business such as consents to establish and operate from the state pollution control boards (where our manufacturing facilities are located), importer-exporter code, registration and licenses issued under the Factories Act for our various manufacturing facilities, fire safety licenses from municipal fire safety authorities, registration certificates issued under various labour laws, including contract labour registration certificates and licenses as well as various direct and indirect taxation related registrations.

While we will endeavor to renew or obtain such approvals as required, there can be no assurance that the relevant authorities will issue any such approvals within our anticipated timeframe or at all. Further, our licenses, permits and approvals impose certain terms and conditions that require us to incur significant costs and inter alia, restrict certain activities. There can be no assurances that the approvals, licenses, permits and registrations may not be revoked in the event of any non-compliance with any terms or conditions imposed thereof.

In future, we will be required to regularly renew permits, licenses and approvals for our business, and to obtain new permits, licenses and approvals for any proposed expansion. An inability to renew, maintain or obtain any required permits, licenses or approvals may result in the interruption of our operations and have a material adverse effect on our business, financial condition and results of operations. For further information regarding licenses and approvals, refer section “Government and Other Approvals” on page 133.

6. ***We may be unsuccessful in protecting our intellectual property rights. Unauthorised use of our intellectual property may result in the development of products which compete with our products. We may also be subject to third-party claims of intellectual property infringement.***

Our intellectual property rights are important to our business. We rely on copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. Although, our Corporate logo “ ” is registered and still we are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have an adverse effect on our business.

We also rely on unpatented proprietary know-how, continuing technological innovation and other trade secrets to develop and maintain our competitive position. However, we cannot be certain that the steps we have taken will prevent unauthorized use of our intellectual property. Therefore, our efforts to protect our intellectual property may not be adequate. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

We may need to litigate to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. Any such litigation could be time-consuming and costly. As the number of patents, copyrights and other intellectual property rights in our industry increases, and as the coverage of these rights increases, we believe that companies in our industry will face more frequent infringement claims. Defending against these claims, even if not meritorious, could be expensive and divert our attention and resources from operating our Company.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised, those claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Regardless of their merit, infringement and other intellectual property claims are often expensive and time-consuming to litigate. The materialization of any of the foregoing risks could adversely affect our business, results of operations and financial condition.

7. ***Our business is subject to regulation by several authorities, which could have an adverse effect on our business and our results of operation.***

Our Company has to comply with the regulations under the Drug and Cosmetics Act, 1940; Drugs and Cosmetics Act Rules, 1945; The Drugs (Prices Control) Order, 1995, Drugs and Magic Remedies Act, 1954; Patent Regulation etc.. Further, our business operations are subject to strict regulations by environmental regulations, Trade Mark Act, Factories Act, etc. We incur costs to comply with requirements of environmental laws and regulations. Any lapses or non- compliance of any laws or regulations or rules or acts or policies by us may adversely affect our business and / or financial operations.

8. ***Our business and future results of operations also depend, upon our ability to successfully commercialize our R&D efforts by way of cost and time efficiencies or the development of new products.***

To develop our product pipeline, we commit substantial time, efforts, funds and other resources for R&D. The R&D process is often time consuming and cost intensive. Our processes and products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals or registrations may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and utilize such products or processes. Further, even if we are successful in obtaining approval for such processes or products, such process or product may become subject to litigation by third parties claiming our process infringes on their patent, or may be otherwise unsuccessful in the market place due to the introduction of superior or more cost effective processes or products by competitors. Therefore, our investments in R&D and new product launches could result in higher costs without a proportionate increase in revenues.

9. ***We have certain contingent liabilities not provided for that may affect our financial condition.***

Our Company has following contingent liabilities not provided for in the books of accounts for the period ended December 31, 2022, under Indian Accounting Standards, which may adversely affect our financial condition.

Contingent liabilities and commitments

(A) Contingent liabilities

I)Guarantees

Rs. Lakhs

Particular	**As at 31 Dec 2022**	**As at 31 March 2022**
i) Bank guarantee	173.70	163.28
ii) Guarantee on behalf of subsidiaries*	1,482.38	1,682.72

* Guarantees provided to the lenders of the subsidiaries are for availing term loans and working capital facilities from the lender banks

II) Other money for which the company is contingently liable

Rs. Lakhs

Particular	**As at 31 Dec 2022**	**As at 31 March 2022**
Disputed liability in respect of Income tax (Refer Note below)	584.53	584.53
Claims against the company not acknowledged as debts	8.84	8.84

The Company has received Notice of Demand u/s 156 of the Income Tax Act, 1961 for the three assessment years and company has filed an appeal against the same. Details of the same are given as follows :

Rs. Lakhs

A.Y to which matter pertains	Demand amount raised till 31 Dec 2022	Stay amount paid till 31 Dec 2022	Demand amount raised tili FY 21-22	Stay amount paid till FY 21-22
2012-13*	28.04	0.00	28.04	0.00
2013-14	339.51	101.00	339.51	101.00
2014-15	142.85	21.45	142.85	21.45
2015-16	0.68	0.00	0.68	0.00
2016-17	73.45	51.45	73.45	51.45
Total	**584.54**	**173.90**	**584.53**	**173.90**

* Rectification has already been filed with Income Tax Department for AY 2012-13 for deletion of demand of Rs. 8.99 crores raised in order passed u/s 143(3) for which Vivad Se Vishwas Scheme has been opted.
All Demands mentioned above have been considered as per demand notice issued on that date. Interest thereafter not considered.

(B) Commitments

Rs. Lakhs

Particular	As at 31 Dec 2022	As at 31 March 2022
II) EPCG commitment (Refer Note below)	-	-
ii) Duty against the material imported on Advance license (Refer Note below)	67.95	67.95

The Company has obtained license under Export Promotion Capital Goods Scheme(EPCG) for purchase of capital goods on zero percent/ reduced custom duty. The Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export obligations of USD 5.82 million against EPCG licences have been submitted for Export obligation discharge certificate (EODC). EODC issuance is pending.

In case of advance licence, material must be exported within 18 months from the date on which goods were cleared from Customs under advance licence

10. We have not entered into any long-term contracts with any of our customers.

We do not have any long-term contracts with our customers and any change in the buying pattern of the customers could adversely affect the business of our Company. Although we have satisfactory business relations with our customers and have received continued business from them in the past, there is no certainty that the same will continue in the years to come and may affect our profitability.

11. If we fail to accurately project demand for our products, we may encounter problems of inadequate supply or oversupply, which would adversely affect our financial condition and results of operations, as well as damage our goodwill.

We estimate future demand for our products based on orders received from our customers and our understanding of customer inventory levels. If we overestimate demand in any future periods, we may purchase more raw materials or components than required. If we underestimate demand, our third party suppliers may have inadequate raw material or product component inventories, which could interrupt our manufacturing and delay shipments, and could result in loss of business. If we under-stock one or more of our products, we may not be able to obtain additional units in a timely manner, which could adversely affect our goodwill and results of operations.

12. We may be sued for defects in our products and this may harm our reputation and our profits

Our business (pharmaceutical formulations) inherently exposes us to potential liability. The product liabilities and claims could require us to spend money on litigation, divert our management's time, damage our reputation and affect the marketability of our products.

13. Substantial portion of our revenues has been dependent upon our few clients. The loss of any one or more of our major clients would have a material adverse effect on our business operations and profitability.

For the financial year ended March 31, 2022 and period ended December 31, 2022 substantial portion of our revenues has been dependent upon our few clients as mentioned below:

No. of Clients	**Customer Concentration**	
	FY 2022	**Period ended December 31, 2022**
Top 5	43.97%	44.49%
Top 10	61.78%	64.79%

The loss of a significant client or clients would have a material adverse effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients or that we will be able to replace these clients in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could adversely impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, adversely impacting our income and financial condition.

14. The Active Pharmaceutical Ingredients (APIs) consumed by our Company are susceptible to price volatility. There are no supply agreements for the raw materials required for manufacturing of our products. Fluctuation in the prices of the raw material may have an adverse impact on our business and financial operations.

The volatility in prices of the major API's viz. Amoxycillin Trihydrate, Clavulanate Potassium, Hydrocortisone Sodium Succinate Pantoprazole etc. can fluctuate in future, depending upon, among other factors, the number of producers and their production volumes and changes in demand in the principal drug markets. Price & availability of APIs have significant impact on profitability of our Company and there are factors affecting API prices which are beyond our control. We do not have any agreement with suppliers to supply of raw materials purchased from them. Though we cover purchases to a certain extent in anticipation of any price increases, we are still exposed to and will have to absorb any fluctuations in the prices of APIs, which may adversely affect the financials of our Company.

15. Our Company's inability to fulfill export obligations could result in custom duty liability, which in turn could adversely affect our financial operations to that extent.

Our Company has obtained Advance licenses under EPCG scheme for import of Capital Goods without payment of Import Duty. As on March 31, 2022 the total outstanding EPCG Commitment was US$ 5.82 Mn which has been fulfilled and we have made application for export obligation discharge certificate for the same. Further we have export obligation of Rs. Rs. 1460.36 lakhs under advance authorization scheme. In case we fail to fulfill the export obligation within the stipulated period we will be liable to refund the duty saved along with interest from the date of authorization under the scheme, which could adversely affect our financial operations to that extent.

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

We have not paid any dividends in last five years. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

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

We have entered into transactions with our Subsidiary Company, Associate Company, promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm‘s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to the “Consolidated Financial Statements” beginning on page 60 of this Draft Letter of Offer.

18. Our business and profitability could be adversely affected if we fail to keep pace with changing technology and evolving industry standards and norms or fail to enhance existing products and develop and introduce new latest products in a timely manner.

The markets for our products are characterized by rapidly changing technology, evolving industry standards and norms and new product or molecule introductions. Adaptability is one of the key attributes for success in our industry. Our results of operations and financial condition depend on our ability to develop and introduce new products, as well as our ability to modify and upgrade our existing products. Our success will depend on several factors, including proper identification of market demands and the competitiveness of our products with the products introduced by our competitors. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of products we provide.

19. Our business depends on our manufacturing facility and the loss of or shutdown of operations of the manufacturing facilities on any grounds could adversely affect our business or results of operations

Our manufacturing facility is subject to operating risks, such as breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Manufacturing of the pharmaceutical formulations requires expensive and delicate machines which is subject to normal wear and tear and therefore require lots of maintenance. We confirm that there are no major loss of or shutdown of operations of the manufacturing facilities in the last 5 years. Breakdown of any of the machines may also adversely affect our business or results of operations.

20. Our inability to build and maintain our brand name will adversely affect our business, prospects, financial condition and results of operation.

Brand recognition is important to the success of our business. Establishing and maintaining our brand name for people relying on our services to look for desired results is critical to the success of the customer acquisition process of our business. No assurance can be given that our brand name will be effective in attracting and growing user and customer base for our businesses or that such efforts will be cost-effective, which may negatively affect our business, prospects, financial condition and results of operations.

21. We have existing debt facilities and may raise additional debt, which could adversely affect our financial health and our ability to obtain financing in the future and react to changes in our business and increases in interest rates of our borrowings may impact our results of operation.

As of March 31, 2022, the amount of our total secured borrowings on consolidated basis was Rs. 2421.27 lakhs as per our consolidated audited financial statements. This includes secured short-term borrowings (including current maturities of term loan) of Rs. 1492.22 lakhs. Our business requires a high amount of working capital to finance operational expenses before payments are received from client. We may incur additional indebtedness in the future. Our ability to meet our debt service obligations and our ability to repay our outstanding borrowings will depend primarily upon the cash flow produced by our businesses. We cannot assure you that we will generate sufficient revenue from our businesses to service existing or proposed borrowings. If we fail to meet our debt service obligations, our lenders could declare us to be in default under the terms of our borrowings and may accelerate the maturity of our obligations. We cannot assure you that, in the event of any such acceleration, we would have sufficient resources to repay these borrowings. Accordingly, any such acceleration would have an adverse effect on our cash flows, business, financial condition and results of operation. In addition: (a) our ability to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes may be impaired in the future; (b) a substantial portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing the funds available to us for other purposes; (c) we will be exposed to the risk of increased interest rates; and (d) our flexibility to adjust to changing market conditions and ability to withstand competitive pressures could be limited, and we may be more vulnerable to a downturn in general economic conditions in our business or be unable to carry out capital spending that is necessary or important to our growth strategy.

If our cash flow and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditure, sell assets, seek additional equity capital, or restructure our debt. In the future, our cash flow and capital resources may not be sufficient for interest or principal payments on our indebtedness, and any remedial measures may not be successful and therefore may not permit us to meet our scheduled debt service obligations.

Our borrowings carry interest at floating rates or at a fixed rate that is subject to adjustment at specified intervals. We are exposed to interest rate risk as we do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any such increase in interest expense may have an adverse effect on our business, prospects, financial condition and results of operation. Such instances could adversely affect our business operations, cash flows and financial condition.

22. Our Promoters have provided personal guarantee for our borrowings to secure our loans. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters in connection with our Company's borrowings.

Our Promoters, Mr. Atul Ranchal and Mr. Rajesh Mahajan have provided personal guarantees for our borrowings to secure our loans. If any of these guarantees are revoked, our lenders may require alternative guarantees or collateral or cancellation of such facilities, entailing repayment of amounts outstanding under such facilities. If we are unable to procure alternative guarantees satisfactory to our lenders, we may need to seek alternative sources of capital, which may not be available to us at commercially reasonable terms or at all, or to agree to more onerous terms under our financing agreements, which may limit our operational flexibility. Accordingly, our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the revocation of all or any of the personal guarantees provided by our Promoters, in connection with our Company's borrowings.

23. Our success depends largely on our senior management and skilled employees and our ability to attract and retain them.

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain skilled staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain "key man" life insurance policies for senior members of our management team or other key personnel. Any such loss of the services of our senior management personnel or skilled staff could adversely affect our business, prospects, financial condition and results of operation.

24. Our Promoters, Directors and Key Managerial Personnel of our Company may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Promoters are interested in us to the extent of any transactions entered into or his shareholding and dividend entitlement in us. Our Directors are also interested in us to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Promoters have given personal guarantees for our borrowings to secure our loans. For further details, please refer "Our Management" on page 54.

25. We have significant working capital requirements.

Our business involves significant working capital. We meet our working capital requirements through internal accruals and debt. Any shortfall in our internal accruals and our inability to raise debt would result in us being unable to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations.

26. Certain filings of our Company under the Companies Act have been filed post the prescribed date of filing. There may also be certain inadvertent errors in these filings.

Certain filings of our Company under the Companies Act, including those in relation to issue and allotment of Equity Shares, changes in our management and such other filings have been filed post the prescribed date of filing under the Companies Act. There may also be instances where there are inadvertent errors in secretarial records and filings. We cannot assure you that these filings and errors will not be subject to any penalties imposed by the relevant authority in this respect.

27. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

(₹ in lacs)

Cash flow from	FY 31.03.22	FY 31.03.21
Cash generated/(used) in operating activities	(3744.07)	--
Cash generated/(used) in investing activities	(2,490.86)	(5,12.96)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled *'Financial Information'* beginning on page 60, of the Draft Letter of Offer.

28. The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees' contact COVID-19, we may be required to quarantine our employees and shut down our office. Risks arising on account of COVID-19 can also threaten the safe operation of our office, loss of life, injuries and impact the well-being of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. At this point of time, our Company cannot predict by when the economy will resume to normalcy, or at all.

29. We do not own our Corporate Office.

We do not own the premises on which our Corporate office is situated in Mumbai. We have taken our corporate office on rental basis. We cannot be sure of continuity of the said premises after expiry of the current rental period and if such agreement is not renewed, there may be temporary disruption in our operations due to relocation of our offices. Further, the terms and conditions on which the said premises may be renewed on rental basis may not be favourable to us.

30. We face intense competition in our businesses, which may limit our growth and prospects.

Our Company faces significant competition from other big and small pharma companies. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

31. Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

32. Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE and NSE and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

33. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

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

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

EXTERNAL RISKS

35. Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

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

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

37. Investors may have difficulty enforcing foreign judgments against us or our management.

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

SECTION IV – INTRODUCTION

THE ISSUE

Following table summarises the present Issue in terms of this Draft Letter of Offer:

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	**[●] Equity Shares**
Rights Entitlement	[●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date i.e. [●], 2023
Record Date	[●], 2023
Face Value per Rights Equity Shares	₹ 10/- per Equity Share
Issue Price per Rights Equity Share	₹[●]/- including a premium of ₹[●] per Rights Equity Share
Equity Shares outstanding prior to the Issue	2,47,02,812 Equity Shares
Issue Size	Issue of up to [●] Equity Shares of face value of ₹10 each for cash at a price of ₹[●] (including a premium of ₹[●] per Rights Equity Share) per Rights Equity Share for an amount aggregating upto ₹[●].
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank *pari passu* in all respects with the existing Equity Shares of our Company.
Equity Shares outstanding after the Issue	[●] Equity Shares
Terms of the Issue	Please see the chapter titled *'**Terms of the Issue**'* on page 138 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer "*Objects of the Issue*" on page 37.
Security Codes for the Equity Shares	ISIN: INE650L01011 BSE: 533543; NSE:BROOKS
ISIN for Rights Entitlements@	[●]
Terms of Payment	The full amount is payable on application

The Issue has been authorised by our Board pursuant to a resolution dated January 25, 2023, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on March 04, 2023.

GENERAL INFORMATION

Our Company was originally incorporated as Brooks Laboratories Limited on January 23, 2002 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 24910 issued by the Registrar of Companies, Punjab, Himachal Pradesh and Chandigarh. We received Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies Punjab, Himachal Pradesh and Chandigarh. There has been no change in the name of our Company since incorporation.

Company Identification Number	L24232HP2002PLC000267
Address of Registered Office of Company	Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India **Website:** www.brookslabs.net **E-mail:** cs@brookslabs.net
Corporate Office of Company ***(Address where books of account and papers are maintained)***	201, The Sumit Business Bay, Off. Andheri Kurla Rd Opp. Guru Nanak Petrol Pump, Andheri East, Mumbai 400093, Maharashtra, India **Tel**: +91 22 69073100; **Website:** www.brookslabs.net; **E-mail:** cs@brookslabs.net
Address of Registrar of Companies	**Registrar of Companies, Himachal Pradesh** Registrar Of Companies-cum-Official Liquidator, Himachal Pradesh, 1st Floor, Corporate Bhawan, Plot No.4-B, Sector 27-B, Chandigarh. PIN- 160019 Phone: 0172-2639415/2639416
Designated Stock Exchange	BSE Limited

Company Secretary and Compliance Officer

Jai Vaidya
201, The Sumit Business Bay,
Off. Andheri Kurla Rd,
Opp. Guru Nanak Petrol Pump,
Andheri East, Mumbai 400093,
Maharashtra, India
Tel: +91 22 6907 3100
E-mail: cs@brookslabs.net

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

Chief Financial Officer

Prashant Rathi
201, The Sumit Business Bay,
Off. Andheri Kurla Rd,
Opp. Guru Nanak Petrol Pump,
Andheri East, Mumbai 400093,
Maharashtra, India
Tel: +91 22 6907 3100
E-mail: corporateaccounts@brookslabs.net

Details of Key Intermediaries pertaining to this Issue of our Company:

Registrar to the Issue	Banker to the Company

Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India. **Tel No**: + 91 810 811 4949 **Email**: brooks.rights2023@linkintime.co.in **Investor Grievance Email**: brooks.rights2023@linkintime.co.in **Website**: www.linkintime.co.in **SEBI Registration Number:** INR000004058 **Contact Person:** Sumeet Deshpande	**Indian Bank** IND MSME- MC Branch, Trivedi Tower, 1st Floor, Jawaharlal Nehru Road,Mulund (W), Mumbai - 400 080, Maharashtra **Tel No.:** +91 22 25928325 **Email:** msmemcb.mumbai@indianbank.co.in **Website:** www.indianbank.in **Contact Person:** Mr. Ayan Das
Banker to the Company	**Legal Advisor to the Issue**
Kotak Mahindra Bank Limited Sco 70-71, Madhya Marg, Sector 8C,Chandigarh - 160018 **Tel No.:** +91 172 4099611 **Email:** anuttam.chadha@kotak.com **Website:** www.kotak.com **Contact Person:** Mr. Anuttam Chadha	**DRC Legal & Associates** Francis Chawl, Opp Jayshree Hotel, Dayal Das Road, Vile Parle (East), Mumbai – 400 057 Maharashtra, India **Tel:** +91 22 2610 4513 **Email:** drclegal.associates@gmail.com **Contact Person**: D. R. Chaudhary
Statutory & Peer Review Auditor of the Company	**Banker to the Issue/ Sponsor Bank**
M/s. S G C O & Co. LLP, 4A, Kaledonia, 2nd Floor, Sahar Road, Near Andheri Station,Andheri East, Mumbai – 400 069 Maharashtra, India **Tel No.:** +91 22 6625 6364 **Email:** info@sgco.co.in **Contact Person**: CA Suresh Murarka **Membership No:** 44739 **Firm Registration No:**112081W/W100184	[●]

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see "*Terms of the Issue*" on page 138.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Inter-se Allocation of responsibilities

Since no Lead Manager has been appointed for purposes of the Issue, there is no requirement of an inter-se allocation of responsibilities.

Issue Schedule:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]

ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS	[●]
ISSUE CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than ₹ 10,000 Lakhs, our Company is not required to comply with the provisions of the SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

Appraising Agency

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

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than four days after our Company becomes liable to pay subscription amount or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing of the Offer Document

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

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	**Aggregate value at Issue Price**
A.	**Authorised Share Capital**		
	3,00,00,000 Equity Shares of face value of ₹10.00 each	3,000.00	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	2,47,02,812 Equity Shares of ₹10.00 each	2,470.28	-
C.	**Present Issue in terms of this Draft Letter of Offer**		
	Issue of [●] Equity Shares for cash at a price of ₹10 per Equity Share	[●]	[●]
D.	**Issued, Subscribed and Paid-up Share Capital after the Issue**		
	[●] Equity Shares of face value of ₹10.00 each	[●]	-
E.	**Securities Premium Account**		
	Before the Issue	6,800.03	
	After the Issue	[●]	

The Issue has been authorised by our Board pursuant to a resolution dated January 25, 2023, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on March 04, 2023.

Notes to the Capital Structure:

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

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

3. **Shareholding of Promoters and Promoter Group:**

The details of specified securities held by the Promoters and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Draft Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
	Promoters						
1	Atul Ranchal	62,63,071	25.35	0	0.00	0	0.00
2	Rajesh Mahajan	51,14,151	20.70	0	0.00	0	0.00
	Promoter Group						
1	Aryan Mahajan	11,35,520	4.60	0	0.00	0	0.00
2	Erwin Mahajan	11,35,520	4.60	0	0.00	0	0.00
3	Rajni Ranchal	8,61,360	3.49	0	0.00	0	0.00
4	Saras Gupta	8,05,547	3.26	0	0.00	0	0.00
5	Savvy Ranchal	6,96,300	2.82	0	0.00	0	0.00
6	Selina Ranchal	3,58,800	1.45	0	0.00	0	0.00
7	Davinder Kumari	35,980	0.15	0	0.00	0	0.00
	Grand Total	**1,64,06,249**	**66.42**	**0**	**0.00**	**0**	**0.00**

4. No Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of the Draft Letter of Offer.

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

Pursuant to the letter dated May 8, 2023, our Promoters and members of the Promoter Group, has undertaken that they may or may not:

- subscribe, jointly and / or severally to the extent of their Rights Entitlements;
- subscribe, jointly and / or severally to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company;
- may renounce their Right Entitlements fully or in part in favour of any third party other than the Promoters and members of the Promoter Group ; and
- at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

- The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Draft Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, pursuant to this Issue.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Draft Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.

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

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

i. The details of the shareholding pattern of our Company as on December 31, 2022 can be accessed on the website of BSE at: https://www.bseindia.com/stock-share-price/brooks-laboratories-ltd/brooks/533543/shareholding-pattern/

ii. Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=533543&qtrid=116.00&QtrName=December%202022

iii. Statement showing holding of the Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of the Equity Shares as on December 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=533543&qtrid=116.00&QtrName=December%202022

iv. Statement showing shareholding pattern of the Non Promoter-Non Public shareholder of our Company as on December 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=533543&qtrid=116.00&QtrName=December%202022

OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Funding the working capital requirements of our Company
2. General Corporate Purposes

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

Issue Proceeds and Net Proceeds

The details of the proceeds of the Issue are summarized in the table below:

S. No.	Particulars	Amount (₹ in lakhs)
1	Gross Proceeds of the Issue (₹ in lakhs upto)	[●]
2	Issue Expenses	[●]
3	**Net Proceeds of the Issue (excluding the Issue Expenses) ("Net Proceeds")**	[●]

Utilization of Net Proceeds and Means of Finance

The proposed utilisation of the Net Proceeds is set forth below:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Funding the working capital requirements of our Company	905.60
2.	General Corporate Purposes	[●]
	Total	[●]

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

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, key managerial personnel or associate companies (as defined under Companies Act, 2013), other than payment of trade creditors to our associate entities in the normal course of business.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

Our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "*Risk Factors*" beginning on page **Error! Bookmark not defined.**.

Details of Use of Net Issue Proceeds:

1. Funding working capital requirements of our Company

We propose to utilise ₹ 905.60 lakhs from the Net Proceeds to fund the working capital requirements of our Company in Fiscal 2024. Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from banks, financial institutions and our internal accruals.

(a) Existing Working Capital:

The details of our Company's working capital as at March 31, 2021, March 31, 2022 and March 31, 2023 derived from the Financial Statements, and source of funding of the same are provided in the table below:

(₹ in lakhs)

Particulars	**31-Mar-21**		**31-Mar-22**		**31-Mar-23**	
	Actuals	**No. of Days**	**Actuals**	**No. of Days**	**Unaudited**	**No. of Days**
Current Assets						
Trade Receivables **(Refer Note 1)**	959.07	81	1,503.49	71	1,281.19	85
Inventories **(Refer Note 2)**	1,237.87	164	1,658.77	123	1,138.15	103
Other Current Assets	249.14		433.63		251.96	
Total	**2,446.08**		**3,595.88**		**2,671.30**	
Current Liabilities						
Trade payables **(Refer Note 3)**	1,338.60	174	2,574.70	176	2,337.61	241
Other Current Liabilities	524.46		479.48		418.00	
Total	**1,863.06**		**3,054.18**		**2,755.61**	
Working Capital Gap	**583.02**		**541.70**		**(84.31)**	
Less: Existing Bank Borrowings	705.82		492.29		562.29	
Net Working Capital Requirement	**-122.80**		**49.41**		**(646.61)**	
Funded through Internal Accruals and Unsecured Loans	-122.80		49.41		**(646.61)**	

**Cash and cash equivalents have not been considered as part of the current assets in the computation of estimated net working capital requirements.*

Note: Pursuant to *the certificate dated May 6, 2023, issued by our Statutory Auditors, M/s. S G C O & Co., LLP, Chartered Accountants*

(b) Estimated Working Capital Requirements

Our Company proposes to utilize ₹ 905.60 lakhs of the Net Proceeds for our estimated working capital requirements. This entire amount will be utilized during Fiscal 2024 towards our Company's estimated working capital requirements. The balance portion of our Company working capital requirement shall be met from the working capital facilities availed/ to be availed and internal accruals. The estimated working capital requirements and key assumptions with respect to the determination of the same are mentioned below. Our Company's projected working capital requirements for Fiscal 2024 and the proposed funding of such working capital requirements are as set out in the table below:

(₹ in lakhs)

Particulars	**31-Mar-24**	
	Projected	**No. of Days**
Current Assets		
Trade Receivables **(Refer Note 1)**	1,630.14	85
Inventories **(Refer Note 2)**	1,208.22	90
Other Current Assets	385.00	
Total	**3,259.82**	
Current Liabilities		

Trade payables **(Refer Note 3)**	1,361.66	100
Other Current Liabilities	393.49	
Total	**1,755.15**	
Working Capital Gap	**1,468.20**	
Less: Existing Bank Borrowings	550.00	
Net Working Capital Requirement	**918.20**	
Proposed Working Capital to be funded from Rights Issue	905.60	
Funded through Internal Accruals and Unsecured Loans	12.60	

1) Receivable turnover in Days = (Average Accounts Receivable / Revenue from Operation) * 365
2) Inventory Turnover in Days = (Average Inventory / Cost of Goods Sold) * 365
3) Payable Turnover in Days = (Average Accounts Payable / Purchases) * 365

Note: Pursuant to *the certificate dated May 6, 2023, issued by our Statutory Auditors, M/s. S G C O & Co., LLP, Chartered Accountants*

The working capital projections made by the Company are based on certain key assumptions, as set out below:

Sr. No.	Particulars	Assumptions
Current Assets		
1	*Inventories:*	In order to achieve cost competitiveness and shorter lead times through constant innovation, the Company need to maintain efficient inventory levels. In Financial year 2021,2022 and 2023 Company's inventory turnover in days were 164 days,123 days and 103 days respectively. Company has projected 90 days inventory for the Financial year ended March 31,2024 to ensure adequate availability for our expected organic growth.
2	Trade receivables	In Financial year ended 2021,2022 and 2023 Company's receivable turnover in days were 81 days, 71 days and 85 days respectively. Company expects the receivable turnover in days at 85 days for Financial year 2024 with the availability of IPO funds.
3	Other current assets including Short term loans and advances	The key items under this head are prepaid expenses, advance to suppliers, balance with government authorities, refund receivable from government authorities etc. However, going forward, we do not foresee any major change.
Current Liabilities		
4	Trade payables	Company's trade payables turnover in Days was 174 days,176 days and 241 days for Financial year ended 2021, 2022 and 2023 respectively. However, going forward the Company estimates to maintain payables at 100 days for Fiscal 2024 to avail best pricing and also buy from large suppliers.
5	Other current liabilities	Other current liabilities include provisions, statutory dues, expenses payable, advance from Customer, Salary and Wages Payable etc. However, going forward, we do not foresee any major change.

Note: Pursuant to *the certificate dated May 6, 2023, issued by our Statutory Auditors, M/s. S G C O & Co., LLP, Chartered Accountants*

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹[●] lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹[●].00 lakhs. The expenses of this Issue include, among others, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(₹lakhs)

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment of selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery expenses, distribution and postage	[●]	[●]	[●]
Regulatory and other expenses including Listing Fee	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

Schedule of implementation

Our Company proposes to utilize funds collected in rights issue after finalisation of the basis of allotment. Post completion of the rights issue, the company will use the funds for the purpose stated in the objects of the issue during FY 2024.

Deployment of Funds in the Project and balance fund deployment*

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till March 31, 2023*	FY 2023-24	Total
1.	Augmenting the capital base of our Company	[●]	[●]	[●]
2.	General Corporate Purposes	[●]	[●]	[●]
3.	Issue Expenses	3.54	[●]	[●]
	Total	**3.54**	[●]	[●]

*expense already incurred will be recouped out of the issue proceeds.
As per the certificate dated April 26, 2023 issued by S G C O & Co., LLP, Chartered Accountants.

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Draft Letter of Offer, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As this is an Issue for an amount less than ₹ 10,000 Lakh, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Draft Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulations for the Proposed Objects of the Issue

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

STATEMENT OF TAX BENEFITS

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

To
The Board of Directors
Brooks Laboratories Limited
201, "The Summit Business Bay",
Behind Guru Nanak Petrol Pump,
Off Andheri Kurla Road, Andheri (E),
Mumbai – 400093(India).

Independent Auditor's certificate on Statement of Tax Benefits under Income Tax Act 1961 available to Brooks Laboratories Limited and its Shareholders under the Applicable Laws in India.

We have been requested by Brooks Laboratories Limited ("the Company"), having its Corporate office at the above mentioned address, to certify the Statement of Tax Benefits for the Right Shares Issue (the "Statement") for the purpose of onward submission to Stock Exchanges i.e National Stock Exchange and Bombay Stock Exchange (NSE/BSE). Accordingly, this certificate is issued in accordance with the terms of our engagement letter dated 24th April 2023 .

Management's Responsibility

1. The preparation of the Statement (Annexure A) is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

2. The Management is also responsible for ensuring that the Company complies with the requirements of Stock Exchanges and provides all relevant information to which it submits this certificate.

Auditor's Responsibility

3. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this Certificate.

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

5. We enclose herewith the **Annexure A** showing the current positions of special tax benefits available to the Company, and its shareholders as per the provisions of Income-tax Act, 1961 as applicable to financial year 2023-2024. Several of these benefits are dependent on the Company, or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these tax benefits is dependent upon their fulfilling such conditions.

6. The benefits discussed in the enclosed annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company or its shareholders. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute

for professional tax advice. A shareholder is advised to consult his/ her/ its own tax consultant with respect to the tax implications arising out of his/her/its participation in the proposed Rights issue, particularly in view of ever changing tax laws in India.

7. We do not express any opinion or provide any assurance as to whether:
   - the Company or its shareholders will continue to obtain these benefits in future; or
   - the conditions prescribed for availing the benefits have been/would be met.

Restriction on Use

8. The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the provisions of the tax laws. No assurance is given that the revenue authorities /courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. The certificate is issued solely for the purpose of onward submission for Stock Exchanges. This certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. S G C O & Co. LLP shall not be liable to the Company, or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

For S G C O & Co. LLP
Chartered Accountants
ICAI Firm Registration No.112081W / W100184

Suresh Murarka

Partner
Membership No. 044739

UDIN: 23044739BGUNMT1168
Place: Mumbai
Date: 26th April 2023

Annexure A

We report the Statement of Possible Special Tax benefits Available to the Company and its Shareholders.

Outlined below are the possible special tax benefits available to the Company and its shareholders under the current direct tax laws in India for the financial year 2023-2024.

A. **SPECIAL TAX BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**
   The Company is not entitled to any special tax benefits under the Act.

B. **SPECIAL TAX BENEFITS TO THE SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 (THE "ACT")**
   The Shareholders of the Company are not entitled to any special tax benefits under the Act.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

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

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Indian Economy Overview
Source: https://www.ibef.org/economy/indian-economy-overview

INTRODUCTION

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

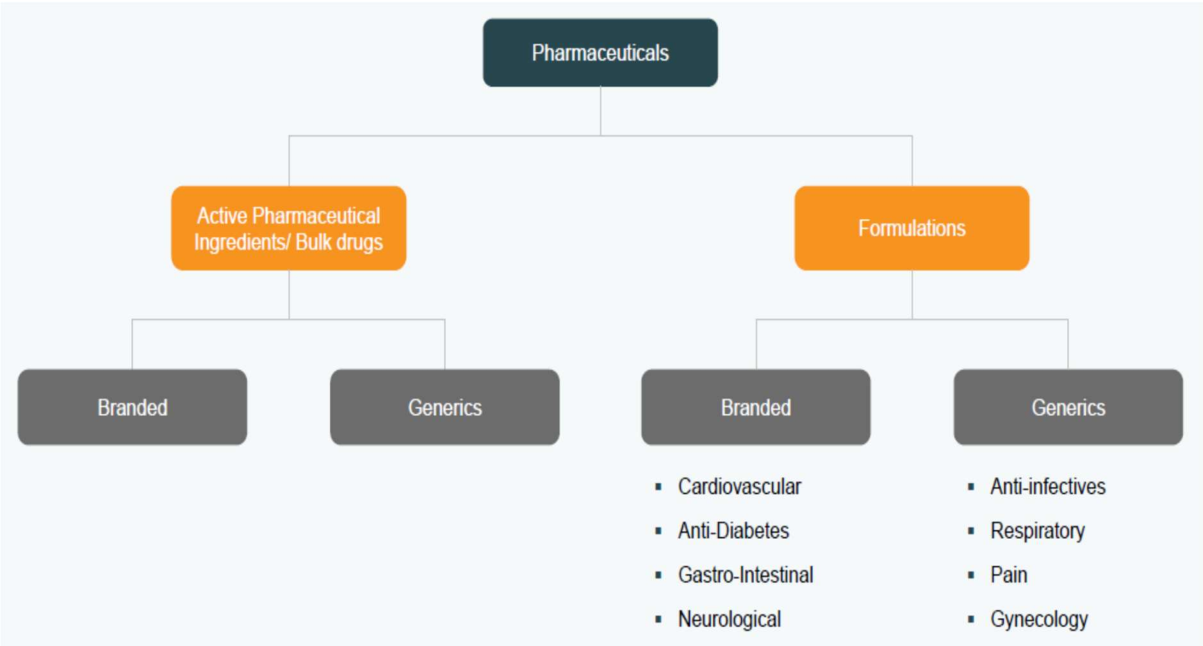
Indian Pharmaceutical Industry
Source: https://www.ibef.org/industry/pharmaceutical-india

INTRODUCTION

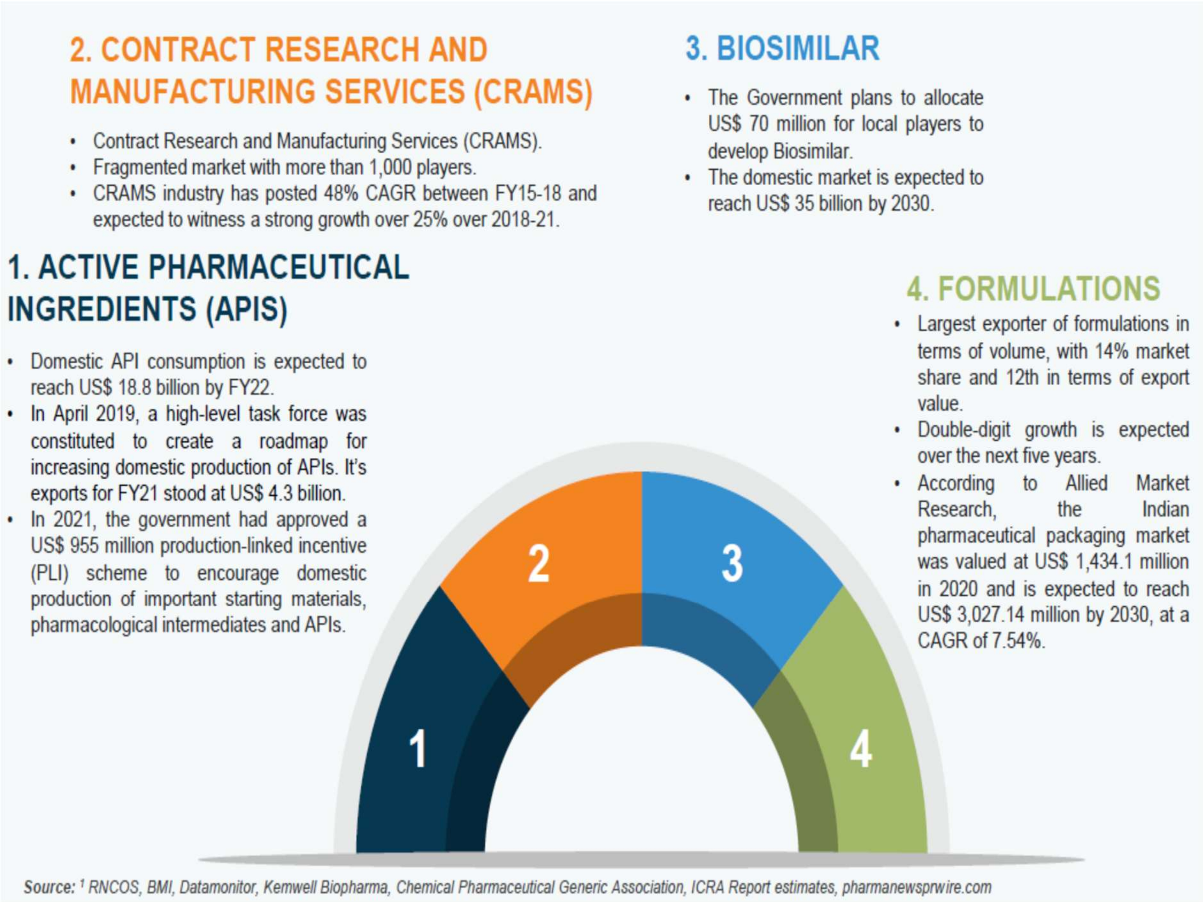
India is the largest provider of generic drugs globally and is known for its affordable vaccines and generic medications. The Indian Pharmaceutical industry is currently ranked third in pharmaceutical production by volume after evolving over time into a thriving industry growing at a CAGR of 9.43% since the past nine years. Generic drugs, over-the-counter medications, bulk drugs, vaccines, contract research & manufacturing, biosimilars, and biologics are some of the major segments of the Indian pharma industry. India has the most number of pharmaceutical manufacturing facilities that are in compliance with the US Food and Drug Administration (USFDA) and has 500 API producers that make for around 8% of the worldwide API market.

Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. The domestic pharmaceutical industry includes a network of 3,000 drug companies and ~10,500 manufacturing units. India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms. India is rightfully known as the "pharmacy of the world" due to the low cost and high quality of its medicines.

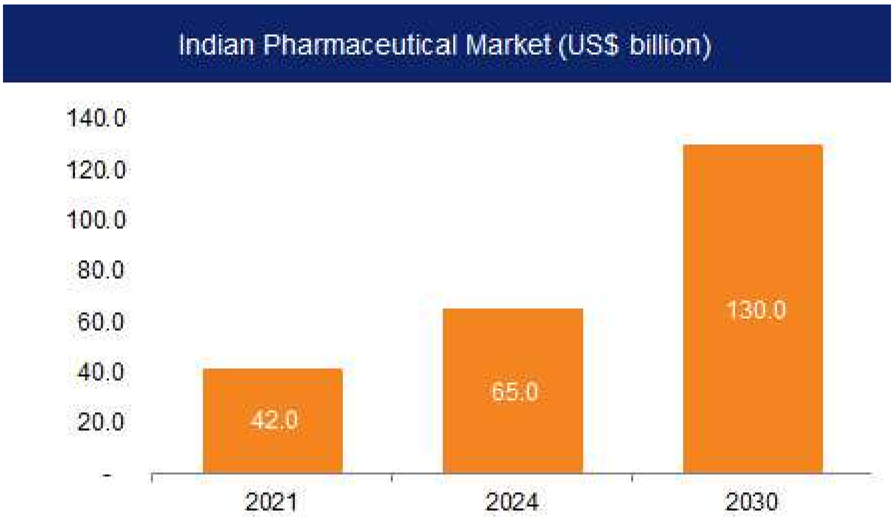
Structure of pharmaceuticals sector in India



Important segments in Indian pharmaceutical sector
Source: IBEF, Pharmaceuticals, November 2022



MARKET SIZE



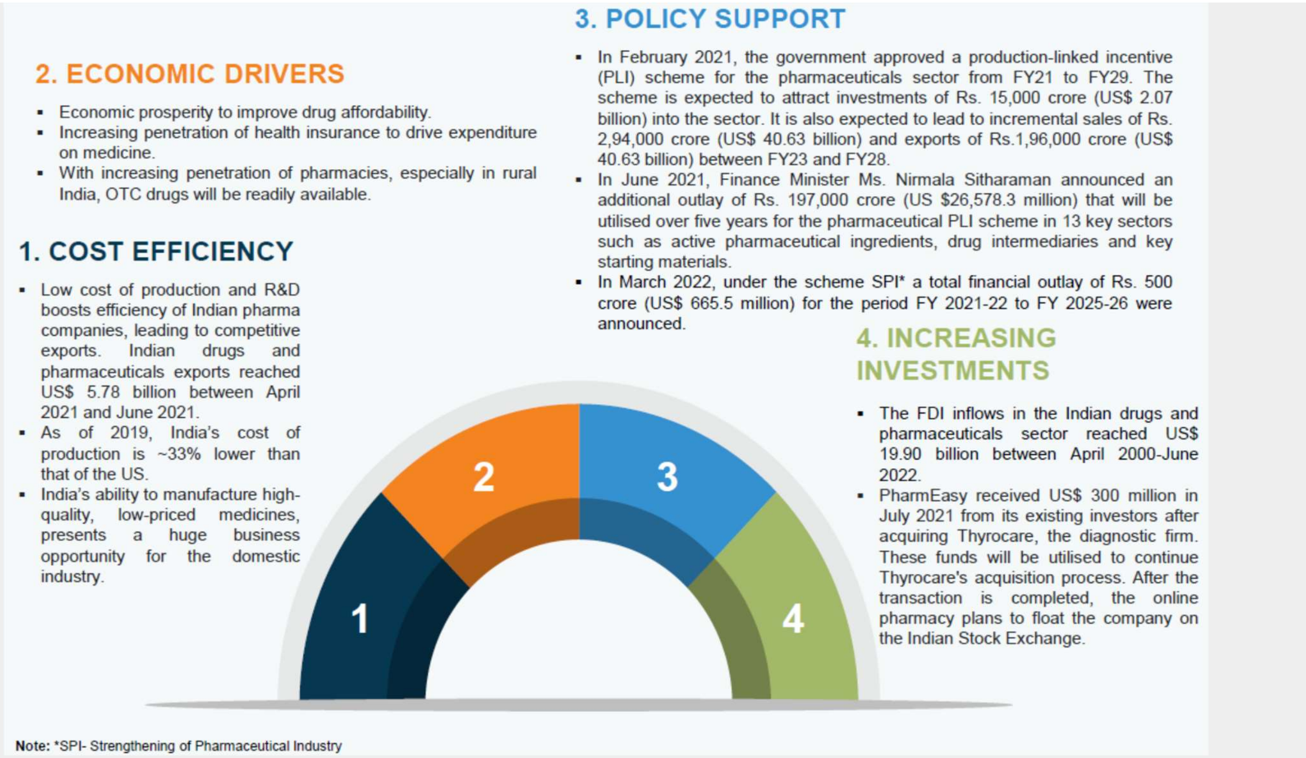
According to the Indian Economic Survey 2021, the domestic market is expected to grow 3x in the next decade. India's domestic pharmaceutical market stood at US$ 42 billion in 2021 and is likely to reach US$ 65 billion by 2024 and further expand to reach US$ 120-130 billion by 2030. India's biotechnology industry comprises biopharmaceuticals, bio-services, bio-agriculture, bio-industry, and bioinformatics. The Indian biotechnology industry was valued at US$ 70.2 billion in 2020 and is expected to reach US$ 150 billion by 2025. India's medical devices market stood at US$ 10.36 billion in FY20. The market is expected to increase at a CAGR of 37% from 2020 to 2025 to reach US$ 50 billion. As of August 2021, CARE Ratings expect India's pharmaceutical business to develop at an annual rate of ~11% over the next two years to reach more than US$ 60 billion in value.

In the global pharmaceuticals sector, India is a significant and rising player. India is the world's largest supplier of generic medications, accounting for 20% of the worldwide supply by volume and supplying about 60% of the global vaccination demand. The Indian pharmaceutical sector is worth US$ 42 billion worldwide. In August 2021, the Indian pharmaceutical market increased at 17.7% annually, up from 13.7% in July 2020. According to India Ratings & Research, the Indian pharmaceutical market revenue is expected to be over 12% Y-o-Y in FY22.

EXPORTS

India is the 12th largest exporter of medical goods in the world. Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20% of the global export in terms of volume, making the country the largest provider of generic medicines globally. Indian drug & pharmaceutical exports stood at US$ 24.60 billion in FY22 and US$ 24.44 billion in FY21. Indian drug & pharmaceutical exports stood at US$ 2,196.32 million in September 2022.

ADVANTAGE INDIA; Source: IBEF, Pharmaceuticals, November 2022



INVESTMENTS AND RECENT DEVELOPMENTS

The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry. India ranks third worldwide for production by volume and 14th by value.

In this regard the sector has seen a lot of investments and developments in the recent past.

- The FDI inflows in the Indian drugs and pharmaceuticals sector reached US$ 19.90 billion between April 2000-June 2022.
- The Indian drugs and pharmaceuticals sector received cumulative FDIs worth US$ 19.41 billion between April 2000-March 2022.
- The foreign direct investment (FDI) inflows in the Indian drugs and pharmaceuticals sector reached US$ 1,414 million between in FY 2021-22.
- The Indian pharmaceutical industry generated a trade surplus of US$ 15.81 billion in FY22.

- Medical Device industry is expected to reach US$ 50 billion by 2030 growing at a CAGR of 15%.

GOVERNMENT INITIATIVES

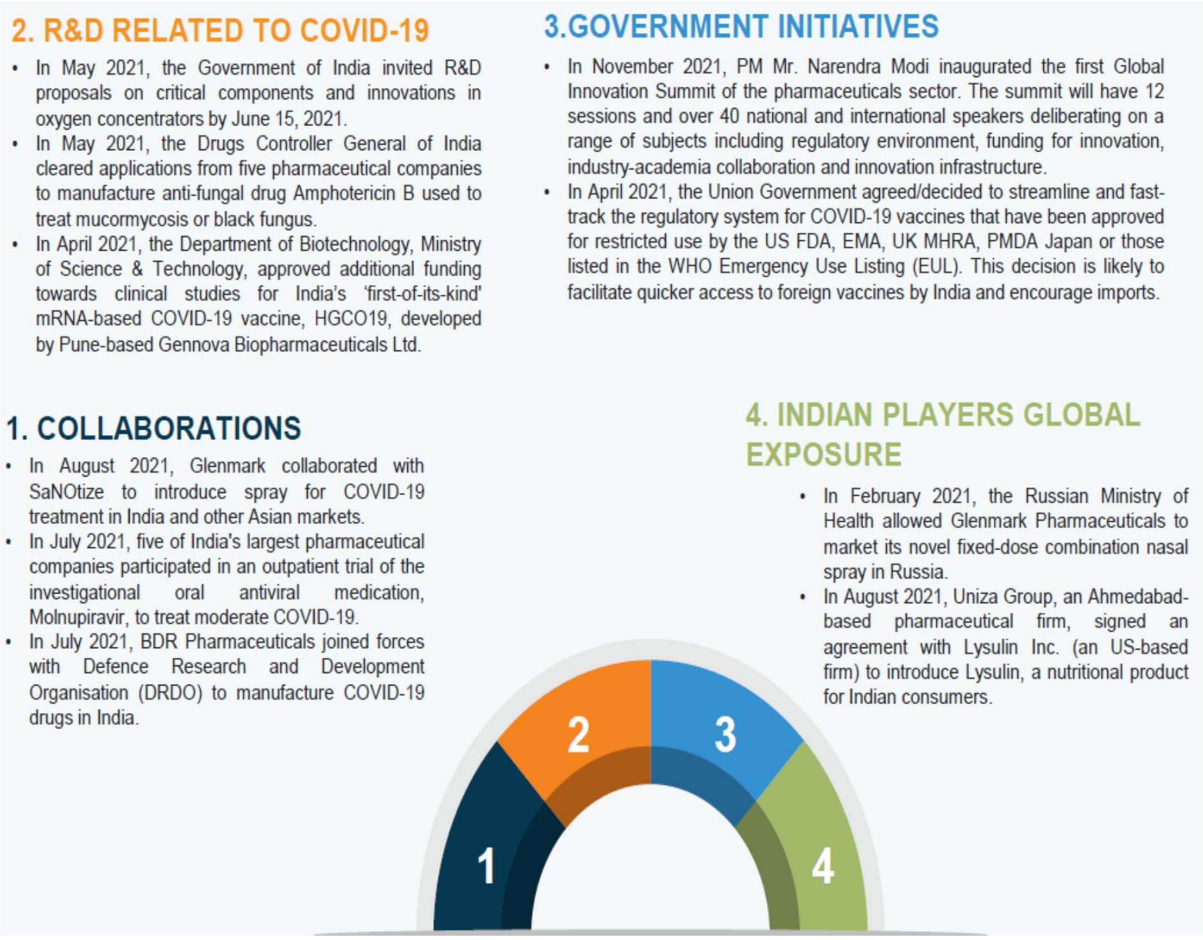
- Some of the initiatives taken by the Government to promote the pharmaceutical sector in India are as follows:
- As per the Union Budget 2022-23:
  - Rs. 3,201 crore (US$ 419.2 million) has been set aside for research and Rs. 83,000 crore (US$ 10.86 billion) has been allocated for the Ministry of Health and Family Welfare.
  - Rs. 37,000 crore (US$ 4.83 billion) has been allocated to the 'National Health Mission'.
  - Rs. 10,000 crore (US$ 1.28 billion) has been allocated to Pradhan Mantri Swasthya Suraksha Yojana.
  - The Ministry of AYUSH has been allocated Rs. 3,050 crore (US$ 399.4 million), up from Rs. 2,970 crore (US$ 389 million).
- In March 2022, under the Strengthening of Pharmaceutical Industry (SPI) Scheme, a total financial outlay of Rs. 500 crore (US$ 665.5 million) for the period FY 2021-22 to FY 2025-26 were announced.
- India could restart deliveries of COVID-19 shots to global vaccine-sharing platform COVAX in November-December 2021 for the first time since April 2021. The World Health Organization (WHO), which co-leads COVAX, has been pushing India to resume supplies for the programme, particularly after it sent ~4 million doses to neighbours and allies in October 2021.
- In November 2021, PM Mr. Narendra Modi inaugurated the first Global Innovation Summit of the pharmaceuticals sector. The summit will have 12 sessions and over 40 national and international speakers deliberating on a range of subjects including regulatory environment, funding for innovation, industry-academia collaboration and innovation infrastructure.
- In August 2021, Union Health Minister, Mr. Mansukh Mandaviya announced that an additional number of pharmaceutical companies in India are expected to commence manufacturing of anti-coronavirus vaccines by October-November 2021. This move is expected to further boost the vaccination drive across the country.
- In June 2021, Finance Minister Ms. Nirmala Sitharaman announced an additional outlay of Rs. 197,000 crore (US $26,578.3 million) that will be utilised over five years for the pharmaceutical PLI scheme in 13 key sectors such as active pharmaceutical ingredients, drug intermediaries and key starting materials.
- To achieve self-reliance and minimise import dependency in the country's essential bulk drugs, the Department of Pharmaceuticals initiated a PLI scheme to promote domestic manufacturing by setting up greenfield plants with minimum domestic value addition in four separate 'Target Segments' with a cumulative outlay of Rs. 6,940 crore (US$ 951.27 million) from FY21 to FY30.
- In May 2021, under Atmanirbhar Bharat 3.0, Mission COVID Suraksha was announced by the Government of India to accelerate development and production of indigenous COVID vaccines. To augment the capacity of indigenous production of Covaxin under the mission, the Department of Biotechnology, Government of India, provided financial support in the form of a grant to vaccine manufacturing facilities for enhanced production capacities, which is expected to reach >10 crore doses per month by September 2021.

ROAD AHEAD

The pharmaceutical industry in India is a significant part of the nation's foreign trade and offers lucrative potential for investors. Millions of people around the world receive affordable and inexpensive generic medications from India, which also runs a sizable number of plants that adhere to Good Manufacturing Practices (GMP) standards set by the World Health Organization (WHO) and the United States Food and Drug Administration (USFDA). Among nations that produce pharmaceuticals, India has long held the top spot. Medicine spending in India is projected to grow 9-12% over the next five years, leading India to become one of the top 10 countries in terms of medicine spending. Going forward, better growth in domestic sales would also depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers, which are on the rise. The Indian Government has taken many steps to reduce costs and bring down healthcare expenses. The National Health Protection Scheme, which aims to offer universal healthcare, the ageing population, the rise in chronic diseases, and other government programmes, including the opening of pharmacies that offer inexpensive generic medications, should all contribute to boost the Indian pharmaceutical industry. Speedy introduction of generic drugs into the market has remained in focus and is expected to benefit the Indian pharmaceutical companies. In addition, the thrust on rural health programmes, lifesaving drugs and preventive vaccines also augurs well for the pharmaceutical companies.

COVID-19 fightback from the Indian pharmaceuticals sector

Source: IBEF, Pharmaceuticals, November 2022



OUR BUSINESS

Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page 19 of the Draft Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Consolidated Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 19, 60 and 122, respectively, of the Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of the Draft Letter of Offer, all references to "we", "us", "our" and "our Company" are to Brooks Laboratories Limited.

Business Overview

We are in the manufacturing and marketing of pharmaceuticals nationally & internationally. We have our own manufacturing Unit at Baddi, Himachal Pradesh. We are a Pharmaceutical Contract Research & Manufacturing Services company having wide range of products catering to critical care segment in Parental Section like Beta Lactam, General Dry powder Injectables, Ampoules and Liquid vials, Dry Syrups and Tablets etc. Our products range include:

- Liquid Injection
- Dry Powder Injection
- Tablets
- Oral Suspension

We are a Research & Development driven Pharmaceutical manufacturing company. We have a team of qualified professionals who are constantly working to stabilize new molecules in niche segments, thus serving our customers with stable latest products.

We have a joint venture with Steriscience Specialities Private Limited at Vadodara for manufacture of carbapenem injectables. The capacity of Vadodara plant is 25 million vials per annum.

Our products face intense competition from products commercialized or under development by competitors in all of our therapeutic areas. We compete with local companies, multi-national corporations and companies from the Rest of World. Our Company faces significant competition from other big and small pharma companies. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture.

We entered into marketing and operation for Branded Generics as Critical Care division with a field force of over 90 skilled personnel. We have launched approx 70 brands since 2019 dealing with high end antibiotics (oral & injectables), pain management medicines, apart from others.

In a short span, Brooks Laboratories has developed an in-house marketing and training department. The training department trains the entire field staff before their induction whereas the marketing department oversees proper formulation and execution of marketing strategies. The group has its own strong supply chain having 300 plus distributors. This ensures smooth transportation of goods and quick availability.

During the quarter ended December 31, 2022, the Company has lost control over its subsidiary company Brooks Steriscience Limited (BSL), and the Company now jointly controls the entity along with its JV partner and has accounted accordingly subsequent to loss of control. The Company has, accordingly, derecognised the assets and liabilities of the former subsidiary from the consolidated balance sheet and has recognised retained investment at fair value when control is lost. Gain on loss of control over BSL amounting to Rs 35.67 lacs has been credited to the profit and loss account under exceptional item.

Plant and Machinery, Technology and Process

High-quality pharmaceutical equipment and Instruments plays a vital role in overall product quality and compliance with FDA regulations. We have Liquid Injection (Vial & Ampoules), Dry Injection (Vials), Eye, Ear Drops, Tablet, Dry Syrup, QC and Microbiological Sections.

For all these products we use requisite imported machinery and equipment. These are PLC (programmable logic controller) based and highly efficient and are fully capable to give maximum output as far as productivity, safety and quality is concerned.

We have been audited by renowned MNC / exporters and they approved our site and mainly our installed equipment's and instruments.

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

We require computers and laptops for our data preparation work. Our registered office is equipped with latest computer systems, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on the date of the Draft Letter of Offer:

Sr. No.	Category	Corporate Office	Plant (Baddi Unit)	Field Staff	Total
1	Senior Management	3	3	1	**7**
2	Middle Management	4	11	4	**19**
3	Others	11	171	92	**274**
	Total	**18**	**185**	**97**	**300**

Approach to Marketing and Marketing Set-up

Our top management and key executives enjoy the confidence of several corporate clients. We interact with our customers to get the feedback on the quality of products and services and improve the same as well. The marketing team regularly stays in touch with our customers. They also regularly approach new customers to try and develop a business relationship.

Capacity and Capacity Utilization – Baddi Unit

			Utilisation*				Percentage			
Dosage	**UOM**	**Capacity (In Mn)**	**2019-20**	**2020-21**	**2021-22**	**April 22 to Dec 22**	**2019-20**	**2020-21**	**2021-22**	**9 Month**
DPI	NOS	27.50	6.09	5.52	13.33	6.24	22%	20%	48%	30%
Ampoules	NOS	27.50	28.45	28.46	28.42	13.77	103%	103%	103%	67%
Liquid Vials	NOS	13.75	0.45	0.57	0.94	1.41	3%	4%	7%	7%
Syrup	NOS	11.00	8.23	2.42	3.41	1.92	75%	22%	31%	9%
Tablets	NOS	13.75	4.37	2.30	3.59	0.80	32%	17%	26%	4%
Drops	NOS	11.00	0.04	0.09	0.10	0.17	0%	1%	1%	1%
Total		**104.50**	**47.63**	**39.35**	**49.79**	**24.31**				

*On single shift basis.

Property

The following table sets forth the details of the properties of our Company:

Description of Property	Purpose	Purpose
Village Kishanpura, Nalagarh Road, Baddi, Nalagarh – 174101, Himachal Pradesh, India	Registered office and Manufacturing Unit	Owned Property
201, The Sumit Business Bay, Off. Andheri Kurla Road, Opposite Guru Nanak Petrol Pump, Andheri East, Mumbai-400093, Maharashtra, India	Corporate Office and also the Address where books of account and papers are maintained	Leasehold Property

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 6 (six) Directors on our Board.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, Designation, Occupation, Term, DIN and Nationality	Date of last appointment / re-appointment and term	Other Directorships
Name: Kaushalya Singh **Father's Name:** Bhagwati Singh **Date of Birth:** January 1, 1966 **Age:** 57 years **Designation**: Whole-time Director **Address:** 275, Ward no.3, Gali no. 17, Adarsh colony, Balong, Mohali, Punjab, India **Occupation:** Service **DIN**: 09244596 **Nationality:** Indian	Appointed as Whole-time Director for a period of 5 years w.e.f. November 23, 2022.	*Companies* • Nil *LLP* • Nil
Name: Jitendra Pratap Singh **Father's Name:** Rambahadur **Date of Birth:** March 5, 1973 **Age:** 50 years **Designation**: Whole-time Director **Address:** 220, Rampur, Sultanpur, Sultanpur – 222303, Uttar Pradesh, India **Occupation:** Service **DIN**: 09796568 **Nationality:** Indian	Appointed as Whole-time Director for a period of 5 years w.e.f. November 23, 2022.	*Companies* • Nil *LLP* • Nil
Name: Manpreet Singh Naroo **Father's Name:** Jeet Singh Naroo **Date of Birth:** January 29, 1971 **Age:** 52 years	Appointed as Whole-time Director for a period of 5 years w.e.f. September 3, 2021.	*Companies* • Nil *LLP* • Nil

Designation: Whole-time Director **Address:** H.No-593, Phase XI, Mohali, Sas Nagar, Punjab-160062, India **Occupation:** Service **DIN**: 02926574 **Nationality:** Indian		
Name: Rajnish Kumar Bedi **Father's Name:** Rattan Chand **Date of Birth:** February 4, 1969 **Age:** 54 years **Designation**: Non-Executive and Independent Director **Address:** Tehsil Fatehpur, Khatiar(241) Kangra Khatiar -176025, Himachal Pradesh, India **Occupation:** Business **DIN**: 05287369 **Nationality:** Indian	Re-appointed for a second term of five consecutive years with effect from August 8, 2019.	*Companies* • Nil *LLP* • Nil
Name: Deepak Mahajan **Father's Name:** Shiv Kumar Mahajan **Date of Birth:** March 15, 1970 **Age:** 53 years **Designation**: Non Executive and Independent Director **Address:** House No. B VII/160, Berian Mohalla, Gurdaspur- 143521, Punjab, India **Occupation:** Service **DIN**: 06702389 **Nationality:** Indian	Re-appointed for a second term of five consecutive years with effect from August 8, 2019.	*Companies* • Nil *LLP* • Nil
Name: Sonia Gupta **Father's Name:** Manohar Lal Mahajan	Re-appointed for a second term of five consecutive years with effect from September 30, 2019	*Companies* • Nil

Date of Birth: January 28, 1981 **Age:** 42 years **Designation**: Non-Executive and Independent Director **Address:** 11A, Phase-II, Industrial Area Ramdarbar, Industrial Area, Chandigarh – 160002, India **Occupation:** Service **DIN**: 06998420 **Nationality:** Indian		*LLP* • Nil

Relationship between our Directors and our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of the Key Managerial Personnel:

Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.
- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- None of the Directors is categorized or are on the RBI List of wilful defaulters.
- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.
- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.
- Other than as mentioned below none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Our Company, our Promoters, certain of our erstwhile Directors and erstwhile Key managerial Personnel, were in the past, debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market by SEBI for a period of five years commencing from December 28, 2011. In accordance with the directions under ad-interim order dated December 28, 2011 u/s 11(1), 11(4) and 11B of SEBI Act and orders of the whole time member of SEBI dated July 9, 2013 and September 10, 2015 our Company, Mr. Atul Ranchal (our Promoter), Mr. Rajesh Mahajan (our Promoter), Durga Shankar Maity (our erstwhile Chief Executive Officer), Ketan Shah (our erstwhile Chief Financial Officer) and Parvinder Kaur (our erstwhile Company Secretary) were, for a period of 5 years commencing from December 28, 2011, inter alia (a) debarred from accessing the securities market and prohibited from buying, selling or dealing in securities market directly or indirectly; and (b) prohibited from raising any further capital from the securities market, in any manner whatsoever for violating certain provisions of the SEBI (Prohibition of Fraudulent and Unfair Trade Practice relating to

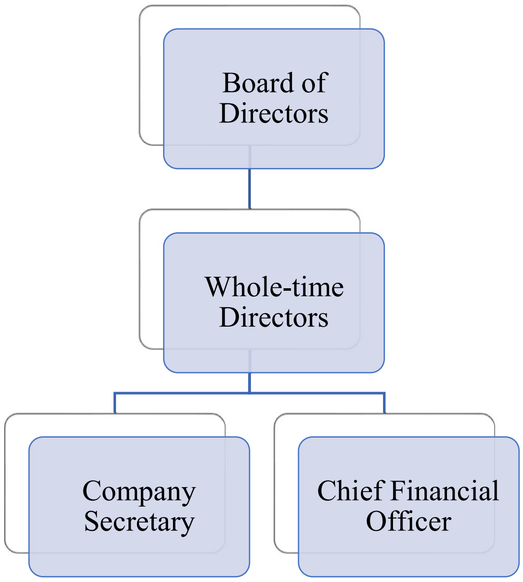
Securities Market) Regulations, 2003 (“PFUTP Regulations”) and SEBI (ICDR) Regulations, 2009 in relation to the initial public offering by our Company.

Further, the adjudicating officer (“AO”) of SEBI vide order dated January 12, 2015 had imposed individual penalty on our Company, Mr. Atul Ranchal, Mr. Rajesh Mahajan, Durga Shankar Maity, Ketan Shah and Parvinder Kaur in all aggregating to ₹11.80 crore under Section 15HA/ 15HB of SEBI Act. Each of the aforesaid entities preferred an appeal before the Hon’ble Securities Appellate Tribunal, Mumbai (“Hon’ble SAT”) against the said order of the AO dated January 12, 2015. Considering the fact that though belatedly the project at Vadodara is fully operational and the appellants have already undergone debarment for 5 years and considering the facts of the matter the Hon’ble SAT vide its order dated March 21, 2018 modified the said impugned order of the AO dated January 12, 2015 by revising the individual penalty amounts. The revised penalty amounts aggregated to ₹1.30 crore.

The aforesaid appellants have paid the said penalty amount aggregating to ₹1.30 crore to SEBI in April, 2018 in accordance with the directions of Hon’ble SAT vide the said order dated March 21, 2018.

Further, please refer “*Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action*” under the section “*Outstanding Litigations And Material Developments*” beginning on page 130 of this Draft Letter of Offer.

ORGANIZATION STRUCTURE



OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Whole-time Directors as on the date of the Draft Letter of Offer. For details of our Whole-time Directors please refer "*Our Management*" on page 54.

Prashant Rathi, aged 32 years, is the Chief Financial Officer of our Company. He holds a bachelor of commerce degree from JNVU, Jodhpur. He is a Chartered Accountant and Company Secretary by Profession. He has experience of over 10 years in finance, accounts, audit and taxation. He has been associated with our Company as the Chief Financial Officer with effect from July 24, 2020.

Jai Praksah Vaidya, aged 34 years, is the Company Secretary & Compliance Officer of our Company. She has completed her bachelor of commerce from Mumbai University. She is a qualified Company Secretary and an associate member of the Institute of Company Secretaries of India and also holds a bachelors degree in law from Mumbai University. She has experience of approximately 5 years in company law and secretarial compliance. She has been associated with our Company since November 23, 2022.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Nature of family relationship

None of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

As on the date of this Draft Letter of Offer our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of the Draft Letter of Offer.

Payment or Benefit to officers of our Company

Except as stated in the Draft Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section "*Consolidated Financial Statements*" on page 60 of the Draft Letter of Offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

SECTION V – FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

Particulars	**Page No.**
Limited Review Report on Consolidated Financial Results for the period ended on December 31, 2022	62
Audited Consolidated Financial Statements for the financial years ended March 31, 2022	67

Brooks
LABORATORIES LIMITED

Corp. Off.:- 201, "The Summit Business Bay"
Behind Guru Nanak Petrol Pump,
Off Andheri Kurla Road, Andheri (E),
Mumbai - 400 093 (India)
Ph. : +91 22 69073100

14th February, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001
Scrip Code: **533543**

National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai-400051
Symbol: **BROOKS**

Sub: Outcome of Board Meeting

Ref: Disclosure under Regulation 30 & Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir/Madam,

This is with reference to the regulation mentioned above:

In continuation of our intimation dated February 3, 2023 and pursuant to Regulation 30 & Regulation 33 and other applicable regulations of the LODR, we wish to inform you that the Board of Directors of the Company, at its meeting held today, i.e. February 14, 2023, has inter alia approved the Unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2022.

We attach herewith a copy of the approved Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2022 alongwith the Limited Review Report of the Auditors.

The meeting started at 2:30 PM and concluded at 4:30 pm

This is for your information and record.
Thanking You,

Yours faithfully
For **BROOKS LABORATORIES LIMITED**

JAI VAIDYA
Digitally signed by JAI VAIDYA
Date: 2023.02.14 16:37:22 +05'30'

(Jai Vaidya)
Company Secretary cum Compliance Officer
Membership No. A42246
Encl.: As Stated Above

Brooks Laboratories Limited
Regd Office: Village Kishanpura, Nalagarh Road, Baddi, Dist. Solan H.P.-174101
CIN NO: L24232HP2002PLC000267
E-mail : investors@brookslabs.net | **Website:** www.brookslabs.net

(Rs. In Lakhs)

Statements of Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2022.

Particulars	Standalone						Consolidated					
	Quarter Ended			Nine Months ended		Year Ended	Quarter Ended			Nine Months ended		Year Ended
	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22	31-Dec-22	30-Sep-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Mar-22
	Unaudited			Unaudited		Audited	Unaudited			Unaudited		Audited
1 Income												
Revenue from operations	1,200.27	1,589.49	1,812.03	4,284.04	5,430.23	7,696.72	1,530.32	1,808.09	1,900.83	5,050.77	6,261.54	9,107.72
Other Income	6.03	6.51	22.15	17.16	193.83	94.76	9.21	13.70	36.80	26.32	72.60	90.91
Total income	**1,206.30**	**1,596.00**	**1,834.18**	**4,301.20**	**5,624.06**	**7,791.48**	**1,539.53**	**1,821.79**	**1,937.63**	**5,077.09**	**6,334.14**	**9,198.63**
2 Expenses												
(a) Cost of materials consumed	728.94	835.73	1,399.19	2,399.29	3,141.55	4,648.83	983.70	887.61	1,545.33	3,320.97	4,042.31	6,293.45
(b) Purchase of Stock in Trade	83.23	191.01	32.74	553.33	434.96	571.65	63.09	86.48	11.03	428.66	130.26	195.85
(c) Change in inventories of finished goods, work-in-progress and stock-in-trade	48.65	87.19	(68.55)	272.53	5.29	(292.56)	103.35	499.58	(79.93)	490.08	231.75	(210.47)
(d) Employees benefits expenses	292.98	279.93	329.20	927.90	940.81	1,280.19	414.42	522.36	499.37	1,507.93	1,369.69	1,914.95
(e) Finance Costs	24.02	18.51	13.13	58.24	43.65	66.97	74.76	62.84	74.15	199.89	225.44	309.69
(f) Depreciation and amortization expenses	42.89	42.95	36.07	128.19	106.82	148.63	232.93	227.99	188.31	659.13	540.03	735.07
(g) Other expenses	193.81	222.57	279.09	708.84	889.48	1,301.17	821.13	734.59	563.15	1,940.94	1,532.50	2,349.86
Total Expenses	**1,414.52**	**1,677.89**	**2,020.87**	**5,048.32**	**5,562.56**	**7,724.88**	**2,693.38**	**3,021.45**	**2,801.41**	**8,547.60**	**8,071.98**	**11,588.40**
3 Profit/(Loss) before Share of Profit / (Loss) of Associate, exceptional item and tax	**(208.22)**	**(81.89)**	**(186.69)**	**(747.12)**	**61.50**	**66.60**	**(1,153.85)**	**(1,199.66)**	**(863.78)**	**(3,470.51)**	**(1,737.84)**	**(2,389.77)**
4 Share of Profit / (Loss) of Associate	-	-	-	-	-	-	0.35	26.51	-	26.86	-	
Profit/(Loss) before Exceptional item and tax	**(208.22)**	**(81.89)**	**(186.69)**	**(747.12)**	**61.50**	**66.60**	**(1,153.50)**	**(1,173.15)**	**(863.78)**	**(3,443.65)**	**(1,737.84)**	**(2,389.77)**
5 Exceptional items (Refer Note No 4)	-	-	-	-	-	-	35.67	-	-	35.67	-	-
6 Profit/(Loss) from ordinary activities before tax	**(208.22)**	**(81.89)**	**(186.69)**	**(747.12)**	**61.50**	**66.60**	**(1,117.83)**	**(1,173.15)**	**(863.78)**	**(3,407.98)**	**(1,737.84)**	**(2,389.77)**
7 Tax Expense:												
Deferred Tax Liability / (Assets)	-	-	-	-	-	-	(169.67)	(385.48)	(123.38)	(732.40)	(400.11)	(458.51)
MAT credit reversal	-	-	-	-	-	-	-	-	-	-	-	-
Tax of earlier years	-	-	-	-	-	-	-	-	-	-	-	-
8 Net Profit/(loss) after tax	**(208.22)**	**(81.89)**	**(186.69)**	**(747.12)**	**61.50**	**66.60**	**(948.16)**	**(787.67)**	**(740.40)**	**(2,675.58)**	**(1,337.73)**	**(1,931.26)**
9 Other Comprehensive Income												
Items That will not be reclassified into Profit or loss												
Actuarial Gain/ (Loss) on Defined Benefit Plans (Net of Tax)	-	-	(2.95)	-	(8.87)	8.85	-	-	(2.96)	-	(8.87)	2.73
Gain on remeausring FVTPL financial assets	-	-	-	-	-	3.81	-	-	-	-	-	3.81
10 Total Comprehensive income for the period	**(208.22)**	**(81.89)**	**(189.63)**	**(747.12)**	**52.63**	**79.26**	**(948.16)**	**(787.67)**	**(743.36)**	**(2,675.58)**	**(1,346.60)**	**(1,924.72)**
Net Profit attributable to												
Owners of equity	-	-	-	-	-	-	(501.90)	(468.19)	(661.13)	(1,660.15)	(1,258.45)	(1,618.75)
Non Controlling Interest	-	-	-	-	-	-	(446.26)	(319.48)	(79.27)	(1,015.43)	(79.28)	(312.51)
Other Comprehensive Income attributable to												
Owners of equity	-	-	-	-	-	-	-	-	(2.96)	-	(8.87)	9.01
Non Controlling Interest	-	-	-	-	-	-	-	-	-	-	-	(2.47)
Total Comprehensive Income attributable to												
Owners of Equity	-	-	-	-	-	-	(501.90)	(468.19)	(664.09)	(1,660.15)	(1,267.33)	(1,609.74)
Non Controlling Interest	-	-	-	-	-	-	(446.26)	(319.48)	(79.27)	(1,015.43)	(79.27)	(314.98)
11 Paid-up equity share capital (Face Value of Rs. 10 each)	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28	2,470.28
12 Reserves (excluding Revaluation Reserve) as shown in the Audited Balance Sheet of previous year.	4,030.02	4,030.02	3,950.76	4,030.02	3,950.76	3,950.76	6,278.72	6,278.72	5,444.56	6,278.72	5,444.56	5,444.56
13 Earnings per share (of Rs. 10/- each) (not annualised)												
(a) Basic	(0.84)	(0.33)	(0.77)	(3.02)	0.21	0.27	(2.03)	(3.19)	(2.68)	(6.72)	(5.09)	(7.82)
(b) Diluted	(0.84)	(0.33)	(0.77)	(3.02)	0.21	0.27	(2.03)	(3.19)	(2.68)	(6.72)	(5.09)	(7.82)

Notes:

1 The above Financial Results of the Company have been reviewed by the Audit committee and approved by the Board of Directors at their respective meeting held on 14 February, 2023

2 The financial results have been prepared in accordance with Indian Accounting Standard ("Ind AS") prescribed under section 133 of the Companies Act 2013, read with relevent rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (as amended) and SEBI Circular Dated 5th July, 2016

3 The Consolidated Financial Results have been prepared in accordance with Ind AS 110 on "Consolidated Financial Statements" and Ind AS 28 on "Investments in Associates and Joint Ventures".

4 During the quarter ended December 31, 2022, the Company has lost control over its subidiary company Brooks Steriscience Limited,(BSL) and the Company now jointly controls the entity along with its JV partner and has accounted accordingly subsequent to loss of control. The Company has accordingly, derecognsied the assets and laibilities of the former subsidairy from the consolidated balance sheet and has recognised retained investment at fair value when control is lost. Gain on loss of control over BSL amounting to Rs 35.67 lacs has been credited to the profit and loss account under exceptional item.

5 The Company operates in one reportable business segment i.e " Pharmaceuticals".

6 Figures of the previous reporting period has been reclassified/ regrouped wherever necessary to correspond with the figures of the current reporting period.

For and on Behalf of the Board

Kaushalya Singh
Din No: 09244596
Whole Time Director

BROOKS LABORATORIES LTD. 201, The Summit Business Bay, Mumbai - 93

Place : Mumbai
Date : 14 February, 2023

SGCO & Co. LLP
Chartered Accountants

Limited Review Report on Unaudited Standalone Financial Results of Brooks Laboratories Limited for the Quarter and Nine Months ended on December 31st, 2022, pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To,
The Board of Directors of
Brooks Laboratories Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Brooks Laboratories Limited (The "Company"), for the Quarter and Nine Months ended on December 31st, 2022. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S G C O & Co. LLP
Chartered Accountants
Firm's Registration No. 112081W/W100184

S G C O & CO. LLP
FRN-112081W/
W100184
MUMBAI
Chartered Accountants

Suresh Murarka
Partner
Mem. No. 044739
UDIN : 23044739BGUNLM2155

Place : Mumbai
Date : 14th February 2023

4A, Kaledonia,
2nd Floor, Sahar Road,
Near Andheri Station,
Andheri (East),
Mumbai - 400 069

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E-mail. info@sgco.co.in
www.sgco.co.in

Mumbai • Delhi

Limited Review Report on Unaudited Consolidated Financial Results for the Quarter and Nine Months ended December 31st, 2022 of Brooks Laboratories Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of
Brooks Laboratories Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Brooks Laboratories Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the Quarter and Nine Months ended December 31st, 2022 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
   i. Brooks Laboratories Limited (Parent Company)
   ii. Brooks Steriscience Limited (Subsidiary Company) (upto 22nd December 2022)
   iii. Brooks Steriscience Limited (Joint Venture)(From 22nd December 2022)
   iv. Steribrooks Penems Private Limited (Associate Company)

SGCO & Co. LLP
FRN-112081W/W100184
MUMBAI
Chartered Accountants

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the financial results of one subsidiary vis Brooks Steriscience Limited included in the consolidated unaudited financial results, whose financial results reflect total Income of Rs. 396.81 lakhs and Rs. 1,035.56 lakhs, total net profit/(loss) after tax of Rs.(770.83) lakhs and Rs. (1990.98) lakhs and total comprehensive income / loss of Rs (770.83) lakhs and Rs. (1990.98) lakhs,for the Quarter and Nine Months ended December 31, 2022 respectively, as considered in the consolidated unaudited financial results. These financial results have been reviewed by other auditor whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. The consolidated financial statements also include the Group's share of net profit of Rs. 0.35 lakhs and Rs.26.86 lakhs for the Quarter and Nine Months ended December 31, 2022 respectively, as considered in the consolidated unaudited financial statements, in respect of one associate (Steribrooks Penems Private Limited) whose financial statement/ financial information/ financial results have not been limited reviewed and have been furnished to us by the Management.

Our conclusion on the Statement is not modified in respect of the above matters.

For S G C O & Co. LLP
Chartered Accountants
Firm Registration No. 112081W/W100184

S G C O & Co. LLP
FRN-112081W/ W100184
MUMBAI
Chartered Accountants

Suresh Murarka
Partner
Mem. No. 044739
UDIN : 23044739BGUNLN9772

Place : Mumbai
Date : 14th February, 2023

Brooks
LABORATORIES LIMITED

Corp. Off.:- 201, "The Summit Business Bay"
Behind Guru Nanak Petrol Pump,
Off Andheri Kurla Road, Andheri (E),
Mumbai - 400 093 (India)
Ph. : +91 22 69073100

Brooks Laboratories Limited

Consolidated Annual Accounts for the Year Ended 31st March, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of **Brooks Laboratories Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Brooks Laboratories Limited** (hereinafter referred to as the 'Parent Company") and its subsidiary (Parent Company and its subsidiary together referred to as "the Group"), its associate which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated cash flows Statement the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. During the course of our audit, we have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board's Report, Report on Corporate governance and Business Responsibility report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.
Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Management & Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs (consolidated financial position) , consolidated profit or loss (Consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

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In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Matters

We did not audit the financial statements of Brooks Steriscience Limited, whose financial statements reflect Group's share of total assets of Rs. 14,404.28 lakhs as at 31 March 2022, Group's share of total revenue of Rs. 2,035.57 lakhs, total net profit / (loss) of Rs. (1,998.18) lakhs, total comprehensive income/ (loss) of Rs. (1,994.30) for the year ended on that date and Group's share of net cash inflows of Rs. 170.10 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

The accompanying Statement includes unaudited financial statements and other unaudited financial information in respect of one associate whose financial statements includes the Group share of net loss of Rs. NIL for the year ended March 31 2022 respectively.
Our opinion on the consolidated financial statements, and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, No unfavorable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):
   a. Brooks steriscience Limited.

2. (A) As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

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d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Parent Company as on 31st March 2022 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

a) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 34 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

c) There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary company

d) i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or it subsidiary companies, associate companies and joint venture companies and joint operation companies or in other persons or entities, including foreign entities ("Intermediaries"),with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries by or on behalf of the Funding parties or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The Holding Company has neither declared nor paid any dividend during the year. The dividend declared or paid during the year by the subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India is in compliance with Section 123 of the Act.

C) In respect of companies where managerial remuneration is within limit :
As required by section 197(16) of the act, based on our audit we report that the Parent company paid remuneration to their directors during the year in accordance with the provisions of and the limit laid down under section 197 read with Schedule V to the Act.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184

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Suresh Murarka
Partner
Mem. No. 44739
UDIN: 22044739AJWSME3989

Place: Mumbai
Date: 30th May, 2022

Annexure "A" to the Independent Auditor's Report of even date on the Consolidated financial statements of Brooks Laboratories Limited for the year ended 31st March 2022.

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

In conjunction with our audit of the consolidated financial statements of **Brooks Laboratories Limited** ("the Parent Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the Parent company and its subsidiary company, which are companies incorporated in India, as of that date.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of other auditors referred to in the Other Matters paragraph below, the Parent company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI") and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance

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Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India. Our opinion is not modified in respect of the above matter.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184

S G C O & CO LLP
FRN - 112081W/ W100184
MUMBAI
Chartered Accountants

Suresh Murarka
Partner
Mem. No. 44739
UDIN: 22044739AJWSME3989

Place: Mumbai
Date: 30th May, 2022

BROOKS LABORATORIES LIMITED

Consolidated Balance Sheet as at 31 March 2022

Rs. (in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	10,832.25	10,702.63
Capital Work in Progress	3A	1,510.74	67.55
Right of use Assets	3B	106.03	-
Intangible Asset	3C	63.08	53.80
Intangible asset under Development	3D	-	15.00
Financial assets			
(i) Investments	4	5.81	2.00
(ii) Security deposit	5	125.70	146.01
(iii) Other financial assets	6	21.96	30.76
Income tax assets (net)	7	232.06	201.70
Deferred tax asset (net)	8	135.52	
Other non-current assets	9	439.70	-
Total non-current assets		**13,472.85**	**11,219.45**
Current assets			
Inventories	10	2,752.24	2,360.31
Financial assets			
(i) Trade receivables	11	1,766.24	1,369.79
(ii) Security deposit	12	10.00	10.00
(iii) Cash and cash equivalents	13	260.50	88.39
(iv) Bank balances other than cash and cash equivalents (iii) above	14	120.50	81.99
(v) Other financial assets	15	136.87	43.68
Other current assets	16	1,071.85	782.04
Total current assets		**6,118.20**	**4,736.20**
Non current asset held for sale	17	-	252.06
TOTAL ASSETS		**19,591.05**	**16,207.71**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18A	2,470.28	2,470.28
Other equity	18B	3,834.80	5,444.56
Total equity		**6,305.08**	**7,914.84**
Non controlling interest		7,126.88	-
		13,431.96	**7,914.84**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	929.05	1,444.00
(ii) Lease liability	20	84.88	-
(iii) Other financial liabilities	21	40.00	10.00
Deferred tax liabilities	8	-	322.99
Provisions	22	217.33	154.48
Total non-current liabilities		**1,271.26**	**1,931.47**
Current liabilities			
Financial liabilities			
(i) Borrowings	23	1,492.22	1,694.47
(ii) Lease liability	24	19.70	-
(iii) Trade payables	25		
- Due to micro and small enterprises		1,214.20	371.88
- Due to Others		1,585.81	2,723.38
(iv) Other financial liabilities	26	254.70	1,332.23
Other current liabilities	27	217.96	126.09
Provisions	28	103.24	113.35
Total current liabilities		**4,887.83**	**6,361.40**
TOTAL EQUITY AND LIABILITIES		**19,591.05**	**16,207.71**
Notes 1 to 49 form an integral part of the financial statements			

This is the Balance Sheet referred to in our audit report of even date

For S G C O & Co LLP

Chartered Accountants

Firm Registration No : 112081W/W100184

For and on behalf of the Board of Diretors

Prashant

Suresh Murarka
Partner
M.No:-044789

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BROOKS LABORATORIES LTD. 201, The Summit Business Bay, Mumbai - 93

Atul Ranchal
Chairman
Din : 01998361

Rajesh Mahajan
Managing Director
Din : 02000634

Prashant Rathi
CFO

Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 30th May 2022

Place: Mumbai
Date : 30th May 2022

BROOKS LABORATORIES LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

Rs. (in Lakhs)

Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	29	9,107.72	7,724.69
Other income	30	90.91	73.55
Total income		**9,198.63**	**7,798.24**
Expenses			
Cost of materials consumed	31	6,293.45	4,667.27
Purchases of stock-in-trade	32	195.85	423.65
Changes in inventories of finished goods, work - in progress	33	(210.47)	(333.58)
Employee benefits expense	34	1,914.95	1,436.83
Finance costs	35	309.69	309.84
Depreciation and amortisation expense	3	735.07	714.33
Other expenses	36	2,349.86	1,478.43
Total expenses		**11,588.40**	**8,696.77**
Profit / (Loss) before tax		**(2,389.77)**	**(898.53)**
Share of Profit/(loss) of Associate		-	(0.80)
Profit / (Loss) before tax		**(2,389.77)**	**(899.33)**
Tax expense/ (credit)			
- Current tax		-	-
- Deferred tax		(458.51)	322.99
- Tax of earlier years		-	715.23
Total Tax expense		**(458.51)**	**1,038.22**
Profit/ (loss) for the year (A)		**(1,931.26)**	**(1,937.55)**
Other comprehensive income (OCI)			
Items not to be reclassified subsequently to profit or loss			
- Measurement of defined employee benefit plans		2.73	10.79
- Gain on remeausring FVTPL financial assets		3.81	-
Other comprehensive income for the year, net of tax (B)		**6.54**	**10.79**
Total comprehensive income/ (loss) for the year, net of tax (A+B)		**(1,924.72)**	**(1,926.76)**
Net Profit/(loss) attributable to :			
- Owners		(1,618.76)	(1,937.55)
- Non-controlling interest		(312.50)	-
Other Comprehensive Income attributable to :			
- Owners		9.01	10.79
- Non-controlling interest		(2.47)	-
Total Comprehensive Income attributable to :			
- Owners		(1,609.75)	(1,926.76)
- Non controlling interest		(314.97)	-
Earnings per equity share of Rs. 10 each	37		
Basic and diluted (in Rs.)		**(7.82)**	**(7.10)**
Notes 1 to 49 form an integral part of the financial statements			

This is the statement of profit and loss referred to in our audit report of even date

For S G C O & Co LLP
Chartered Accountants
Firm Registration No : 112081W/W100184

Suresh Murarka
Partner
M.No:-044789

S G C O & Co LLP FRN - 112081W/W100184 MUMBAI Chartered Accountants

Place: Mumbai
Date : 30th May 2022

For and on behalf of the Board of Directors

Atul Ranchal
Chairman
Din : 01998361

Rajesh Mahajan
Managing Director
Din : 02000634

Prashant Rathi
CFO

Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 30th May 2022

BROOKS LABORATORIES LTD. 201, The Summit Business Bay, Mumbai - 93

BROOKS LABORATORIES LIMITED

Consolidated Cash Flow Statement for the year ended 31st March, 2022

Rs. (in Lakhs)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit before tax	(2,389.77)	(899.33)
Adjustments for		
Depreciation and amortisation expense	735.07	714.33
Finance cost	309.69	309.84
Interest income	(8.77)	(16.94)
Remeasurement of Defined benefit obligations	2.73	10.79
Dividend from current investments	(0.30)	(0.30)
Provision for Doubtful Capital Advance	-	18.65
Liability no longer payable	(22.26)	-
Recovery of Bad debts	(10.74)	-
Profit on sale of asset	(13.10)	-
Loss on discarded asset	-	5.61
Provision for Expected credit loss	92.87	4.62
Unrealised Foreign Exchange Gain	22.21	(17.64)
Operating profit before working capital changes	**(1,282.37)**	**129.62**
Adjustments for changes in working capital:		
Decrease / (increase) in Trade Receivables	(500.57)	199.42
Decrease / (increase) in Inventories	(391.93)	(982.82)
Decrease / (increase) in Other Assets	(289.81)	(189.38)
Decrease / (increase) in Other Financial Assets	(76.06)	46.39
(Decrease) / Increase in Trade and Other Payables	(270.05)	473.76
(Decrease) / Increase in Other Financial Liabilities	(1,047.53)	1,154.38
(Decrease) / Increase in Other Liabilities	91.86	(16.81)
(Decrease) / Increase in provisions		
(Decrease) / Increase in Long term Provisions	62.86	33.15
(Decrease) / Increase in Short term Provisions	(10.12)	18.52
Cash generated from / (used in) operations	**(3,713.71)**	**866.26**
Direct taxes paid (net of refunds received)	(30.36)	(420.38)
Net cash (used in) / from generated from operating activities	**(3,744.07)**	**445.88**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment (including capital work in progress and capital advances)	(2,321.53)	(561.38)
Proceeds from sale of property, plant and equipment	291.00	-
Capital Advance	(439.70)	-
Purchase of Investments	-	-
Net (investments in)/ proceeds from bank deposits (having original maturity of more than three months)	(29.71)	31.18
Interest received	8.77	16.95
Dividend received	0.30	0.30
Net cash (used in) / generated from investing activities	**(2,490.86)**	**(512.96)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
Money received against share warrants and issue of shares on Rights basis	-	-
Proceeds by Minority Interest	7,441.85	-
Proceeds/ (Repayment) from borrowings (net)	(717.20)	438.13
Repayment of Lease Liabilities	(7.90)	(20.70)
Finance costs paid	(309.69)	(301.55)
Net cash (used in) / from financing activities	**6,407.06**	**115.88**
Net decrease in cash and cash equivalents (A+B+C)	**172.11**	**48.80**
Cash and cash equivalents at the beginning of the year	88.39	39.59
Cash and cash equivalents at the end of the year	**260.50**	**88.39**

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Note:

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flow.

2. Components of cash and cash equivalents considered only for the purpose of cash flow statement as follows :

Particulars	As at 31 March 2022	As at 31 March 2021
In bank current accounts	255.98	83.10
Cash on hand	4.52	5.29
Fixed deposits with original maturity of les than 3 months	-	-
	260.50	**88.39**

3. Previous year's figures have been regrouped and rearranged wherever necessary in order to confirm to current year's classification.

This is the Cash Flow Statement referred to in our audit report of even date

For S G C O & Co. LLP
Chartered Accountants
Firm Registration No : 112081W/W100184

For and on behalf of the Board of Directors

Suresh Murarka
Partner
Mem. No. 44739

Atul Ranchal
Chairman
Din : 01998361

Rajesh Mahajan
Managing Director
Din : 02000634

Prashant Rathi
CFO

Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 30th May 2022

Place: Mumbai
Date : 30th May 2022

BROOKS LABORATORIES LIMITED

Consolidated Statement of Changes in Equity for the Year ended 31st March, 2022

Rs. (in Lakhs)

A) Equity share capital

Particulars	Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current period	Balance at the end of the current reporting period
As at March 31, 2022					
Equity Share Capital	2,470.28	-	-	-	2,470.28
As at March 31, 2021					
Equity Share Capital	2,470.28	-	-	-	2,470.28

Other Equity

Particulars	Reserves and surplus		Other comprehensive income	Total equity attributable to equity holders
	Securities premium	Retained earnings	Remeasurement of Defined Benefit Plans	
As at 1 April 2020	**6,800.03**	**552.68**	**18.60**	**7,371.31**
Profit/ (Loss) for the year	-	(1,937.55)	-	**(1,937.55)**
Other Comprehensive Income for the year	-	-	10.79	**10.79**
As at 31 March 2021	**6,800.03**	**(1,384.87)**	**29.39**	**5,444.55**
Profit/ (Loss) for the year	-	(1,618.76)	-	**(1,619)**
Other Comprehensive Income for the year	-	-	9.01	**9.01**
As at 31 March 2022	**6,800.03**	**(3,003.63)**	**38.40**	**3,834.81**

Notes 1 to 49 form an integral part of the financial statements

In terms of our report on even date

For S G C O & Co LLP
Chartered Accountants
FRN. 112081W/ W100184

Suresh Murarka
Partner
M.No:-044789

Place: Mumbai
Date : 30th May 2022

For and on behalf of the Board of Directors

Atul Ranchal
Chairman
Din : 01998361

Rajesh Mahajan
Managing Director
Din : 02000634

Prashant Rathi
CFO

Jyoti Sancheti
Company Secretary

Place: Mumbai
Date : 30th May 2022

Note 1 Corporate Information

Brooks Laboratories Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and was incorporated on 23rd January, 2002. The shares of the company are listed on BSE & NSE in India. The Company has manufacturing plants at Baddi, Himachal Pradesh. The Company is a pharmaceutical manufacturing company working on contract basis.

The Company along with its subsidiaries and its associates has been collectively hereinafter referred to as "the Group".

Note 2.1 Significant Accounting Policies

i Basis of Preparation

The consolidated financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis of accounting.

All the assets and liabilities have been classified as current and non-current as per normal operating cycle of the Group and other criteira set out in as per the guidance set out in Schedule III to the Act. Based on nature of services, the Group ascertained its operating cycle as 12 months for the purpose of current and non-current classification of asset and liabilities.

The Group's consolidated financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.

ii Principles of Consolidation

The Consolidated Financial Statements comprise of the financial statements of Brooks Laboratories Limited and its subsidiaries and associates. The financial statements have been prepared on the following basis:

Subsidiaries :

The Consolidated financial statements have been prepared on the following basis:

(a) The Consolidated financial statements of the Company and its subsidiary companies have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances / transactions and elimination of resulting unrealized profits /losses in accordance witih Indian Accounting Standard ('Ind AS') - 110 'Consolidated Financial Statements' notified by the Companies (Accounting Standards) Rules, 2006 read with Rule 7 to the Companies (Accounts) Rules 2014 in respect of Section 133 of the Companies Act, 2013.

(b) Goodwill on consolidation represents the excess of cost of acquisition at each point of time of making the investment in the subsidiary Group's share in the net worth of a subsidiary, as per Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements". For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements, prior to the acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on consolidation. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

(c) Minority interest in net profits or losses of consolidated subsidiaries for the year is identified and adjusted against the income or loss in order to arrive at the net income or loss attributable to the shareholders of the Company. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by tihe Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of initial investments as stated above. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Holding Company.

(d) Financial statements are prepared using uniform policies for like transaction and other events in similar circumstances and are presented, to the extent possible, in tihe same manner as the Company's separate financial statements.

(e) Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and / or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in tihese financial statements.

(f) The gains /losses in respect of part dilution of stake in subsidiary companies pursuant to issue of additional shares to minority shareholders are recognized directly in capital reserve under Reserves and surplus in the Balance Sheet. The gains /losses in respect of part divestment of stake in subsidiary companies pursuant to sale of shares by the Holding Company are recognized in the Statement of Profit and Loss.

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Associates :

(a) The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The statement of profit and loss reflects the Group's share of the results of operations of the associate .The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss. If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

iii Accounting Estimates

The preparation of the financial statements, in conformity with the Ind AS, requires the management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

iv Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

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S G C O & CO LLP Chartered Accountants FRN - 112081W/ W100184 MUMBAI v **Depreciation/ Amortisation**

a) Depreciation on Property, Plant and Equipment has been provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets which are in agreement with the rates prescribed under schedule II to the Companies Act 2013,except for the category of assets mentioned in Table B in order to reflect the actual usage of the asset.

b) Intangible assets consisting of softwares, licenses and Dossier/ Marketing Rights are amortised over their useful life.

Table A showing category of assets of which useful life are as prescribed under Companies Act

Sr.No.	Asset category	As per Companies Act 2013
1	Plant & Machinery	7- 20 years
2	Lab Equipments	10 years
3	Computer	3 years
4	Office Equipments	5 years
5	Furniture	10 years
6	Electrical Installation	10 years
7	Factory Building	30 Years
8	Office Premises	60 Years
9	Server	6 years
10	Vehicles	8-10 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property plant and equipment (as mentioned above) over estimated useful lives which are different from the useful lives prescribed under Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

vi **Investment Property**

Investment properties are held to earn rentals or for capital appreciation, or both. Investment properties are measured initially at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes.

Investment Property is initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Any gain or loss on disposal of investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the item is recognised in Statement of Profit & Loss.

vi **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Investment in subsidiaries, associate and joint venture :

Investment in subsidiaries, associates and joint ventures are shown at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Where the carrying amount of an investment in greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

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b) Financial Assets

Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVTPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

Financial Assets Measured at Fair Value

Financial assets are measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss.

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De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

c) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

1) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

2) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

3) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

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vii Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as provident fund, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Group also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

e Termination benefits

Termination benefits are recognised as an expense as and when incurred.

viii Share - Based Compensation

The Group recognizes compensation expense relating to employees stock option plan in statement of profit and loss account in accordance with IND AS 102, Share - Based Payment. Accordingly,compensation expense as determined on the date of the grant is amortised over the vesting period.The Group follows fair value method to calculate the value of the stock options.

ix Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand, which are subject to an insignificant risk of changes in value.

x Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the Statement of Profit and Loss in the period in which they occur.

xi Foreign Exchange Translation and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Group uses a monthly average rate if the average rate approximate the actual rate at the date of the transactions.

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S G C O & CO LLP ★ Chartered Accountants FRN 112081W/W100184 MUMBAI b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss except those arising from investment in Non Integral operations.

xii Revenue Recognition

a) Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

b) Revenue from sales of goods is recognized net of rebates and discounts on transfer of significant risks and rewards of ownership to the buyer. Sales are considered net of Goods and Services Tax.

c) Interest is recognised on a time proportion basis taking in to account the amount outstanding and the rate applicable.

d) Dividend income is recognised when right to receive the same is established.

xiii Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to the extent it is probable that the Group will pay normal income tax during the specified period.

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xiv Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and

- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xv Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xvi Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xvii Inventories

Inventories are valued as follows:

- Finished Goods are valued at lower of cost or net realisable value.
- Raw Material are valued at lower of cost or net realisable value.
- Packing Materials are valued at cost or net realisable value.
- Work in process is valued at lower of cost or net realisable value.
- Stock in trade is valued at a lower of cost or net realizable value.

Cost is arrived at on weighted average cost method.

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xviii Leases

Group as a lessee

The Group's lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily eterminable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

xix Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xx Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

xxi Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52(2) of the Companies Act, 2013, to the extent balance is available for utilization in the Securities Premium Account.

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xxii **Rounding of amounts**

All amounts disclosed in the financials statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III.

xxii **Business Combination Involving Entities Under Common Control**

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory.

Business Combination involving entities or businesses under common control shall be accounted for using the pooling of interest method based on the predecessor values retrospectively for all periods presented.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonies accounting policies and tax adjustments if any.

(iii) The components of other equity of the acquired companies are added to the same components within other equity except that any share capital and investments in the books of the acquiring entity is cancelled and the differences, if any, is adjusted in the opening retained earnings.

(iv) The financial information in the financial statements in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

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Note 3A : Property, plant and equipment

Rs. (in Lakhs)

Particulars	Land	Factory Building	Office Building	Plant and Machinery	Lab Equipment's	Electrical Installations	Furniture & Fixtures	Vehicles	Office Equipment	Computer	Server	Total
Year ended March 31, 2021												
Gross carrying value												
Balance as at 1 April 2020	1,740.69	4,405.25	297.41	5,680.80	10.13	470.04	146.96	225.32	68.52	38.20	42.94	13,126.25
Additions	130.64	-	-	276.24	1.03	1.18	0.58	-	3.93	7.60	-	421.19
Disposals / adjustments	-	-	-	(0.50)	-	-	-	-	-	-	-	(0.50)
Less : Transferred to Non current Assets held for sale	-	-	(275.43)	-	-	-	-	-	-	-	-	(275.43)
Balance as at 31 March 2021	1,871.32	4,405.25	21.98	5,956.53	11.16	471.22	147.54	225.32	72.44	45.80	42.94	13,271.51
Accumulated depreciation												
Balance as at 1 April 2020	-	472.62	19.83	1,040.69	5.82	144.12	50.99	89.33	39.66	31.05	21.97	1,916.08
Depreciation charge during the year	-	150.52	5.04	380.59	0.73	47.36	15.40	54.08	8.80	6.73	7.15	676.39
Deletions / Adjustments	-	-	-	(0.23)	-	-	-	-	-	-		(0.23)
Less : Transferred to Non current Assets held for sale	-	-	(23.37)	-	-	-	-	-	-	-	-	(23.37)
Balance as at 31 March 2021	-	623.14	1.49	1,421.05	6.56	191.48	66.39	143.41	48.45	37.78	29.13	2,568.88
Net Carrying Amount as at March, 31, 2021	1,871.32	3,782.11	20.49	4,535.48	4.60	279.75	81.15	81.91	23.99	8.02	13.81	10,702.63
Year ended March 31, 2022												
Gross carrying value												
Balance as at 1 April 2021	1,871.32	4,405.25	21.98	5,956.53	11.16	471.22	147.54	225.32	72.44	45.80	42.94	13,271.51
Additions	-	52.60	-	337.03	0.30	10.27	121.60	-	35.45	69.86	205.55	832.67
Disposals / adjustments	-	-	-	(7.74)	-	-	(25.75)	-	(0.73)	-	-	(34.22)
Balance as at 31 March 2022	1,871.32	4,457.85	21.98	6,285.82	11.46	481.50	243.39	225.32	107.17	115.66	248.49	14,138.40
Accumulated depreciation												
Balance as at 1 April 2021	-	623.14	1.49	1,421.05	6.56	191.48	66.39	143.41	48.45	37.78	29.13	2,568.88
Depreciation charge during the year	-	151.63	0.37	405.28	0.74	47.66	19.50	25.92	7.63	10.86	21.88	691.46
Deletions / Adjustments	-	-	-	(5.86)	-	-	(16.04)	-	(0.73)	-	-	(22.63)
Balance as at 31 March 2022	-	774.78	1.86	1,820.47	7.29	239.13	69.84	169.33	55.36	48.65	51.01	3,237.71
Net Carrying Amount as at March 31, 2022	1,871.32	3,683.08	20.12	4,465.36	4.17	242.36	173.55	55.99	51.81	67.01	197.48	10,832.25

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Accompanying notes to the Consolidated financial statement for the Year ended 31 March, 2022

Note 3C : Intangible Assets

Particulars	Software	Dossier evaluation & Product License	Total
Year ended 31 March 2021			
Gross carrying value			
Balance as at 1 April, 2020	12.00	10.25	22.25
Additions	0.11	48.60	48.71
Balance as at 31 March 2021	**12.11**	**58.85**	**70.96**
Accumulated Amortisation			
Balance as at 1 April, 2020	4.06	1.15	5.21
Amortisation charge for the year	2.40	9.56	11.95
Balance as at 31 March 2021	**6.46**	**10.70**	**17.16**
Less : Transfer in Slump sales			-
Closing Net Carrying Amount as at 31 March 2021	**5.65**	**48.15**	**53.80**
Year ended 31 March 2022			
Gross carrying value			
Balance as at April, 1, 2021	12.11	58.85	70.96
Additions	27.11	-	27.11
Disposal/Discard	-	-	-
Balance as at March 31, 2022	**39.22**	**58.85**	**98.08**
Accumulated Amortisation			
Balance as at April, 1, 2021	6.46	10.70	17.16
Amortisation charge for the year	3.59	14.25	17.84
Balance as at March 31, 2022	**10.05**	**24.96**	**35.00**
Closing Net Carrying Amount as at 31 March 2022	**29.18**	**33.90**	**63.08**

Note 3D : Intangible Assets Under Development

Particulars	Amount
Year Ended 31st March 2021	
Gross carrying value	
Balance as at 1 April, 2020	**10.99**
Additions	4.01
Less : Deletion	-
Balance as at 31 March 2021	**15.00**
Accumulated Depreciation	
Balance as at 1 April, 2020	-
Additions	-
Balance as at 31 March 2021	-
Closing Net Carrying Amount as at 31 March 2021	**15.00**
Year Ended 31st March 2022	
Gross carrying value	
Balance as at 1 April, 2021	**15.00**
Additions	-
Less : Deletion	15.00
Balance as at 31 March 2022	-
Accumulated Depreciation	-
Additions	-
Balance as at 31 March 2022	-
Closing Net Carrying Amount as at 31 March 2022	-

Intangible asset under development ageing schedule as on 31st March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.00	-	-	-	15.00
Projects temporarily suspended	-	-	-	-	-
Total	15.00	-	-	-	15.00

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Note 3C : Intangible Assets

Particulars	Software	Dossier evaluation & Product License	Total
Year ended 31 March 2021			
Gross carrying value			
Balance as at 1 April, 2020	12.00	10.25	22.25
Additions	0.11	48.60	48.71
Balance as at 31 March 2021	**12.11**	**58.85**	**70.96**
Accumulated Amortisation			
Balance as at 1 April, 2020	4.06	1.15	5.21
Amortisation charge for the year	2.40	9.56	11.95
Balance as at 31 March 2021	**6.46**	**10.70**	**17.16**
Less : Transfer in Slump sales			-
Closing Net Carrying Amount as at 31 March 2021	**5.65**	**48.15**	**53.80**
Year ended 31 March 2022			
Gross carrying value			
Balance as at April, 1, 2021	12.11	58.85	70.96
Additions	27.11	-	27.11
Disposal/Discard	-	-	-
Balance as at March 31, 2022	**39.22**	**58.85**	**98.08**
Accumulated Amortisation			
Balance as at April, 1, 2021	6.46	10.70	17.16
Amortisation charge for the year	3.59	14.25	17.84
Balance as at March 31, 2022	**10.05**	**24.96**	**35.00**
Closing Net Carrying Amount as at 31 March 2022	**29.18**	**33.90**	**63.08**

Note 3D : Intangible Assets Under Development

Particulars	Amount
Year Ended 31st March 2021	
Gross carrying value	
Balance as at 1 April, 2020	**10.99**
Additions	4.01
Less : Deletion	-
Balance as at 31 March 2021	**15.00**
Accumulated Depreciation	
Balance as at 1 April, 2020	-
Additions	-
Balance as at 31 March 2021	-
Closing Net Carrying Amount as at 31 March 2021	**15.00**
Year Ended 31st March 2022	
Gross carrying value	
Balance as at 1 April, 2021	**15.00**
Additions	-
Less : Deletion	15.00
Balance as at 31 March 2022	-
Accumulated Depreciation	-
Additions	-
Balance as at 31 March 2022	-
Closing Net Carrying Amount as at 31 March 2022	-

Intangible asset under development ageing schedule as on 31st March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.00	-	-	-	15.00
Projects temporarily suspended	-	-	-	-	-
Total	15.00	-	-	-	15.00

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Rs. In Lakhs

Note 4 : Investments

Particulars	As at 31 Mar 2022	As at 31 March 2021
I. Investments valued at FVTPL (Unquoted)		
Investment in equity shares		
i) In other companies	5.81	2.00
Total non-current investments	**5.81**	**2.00**

Note 4.1 Detailed list of non-current investments
Face value of Rs. 10 each, unless otherwise stated

Particulars	As at 31 Mar 2022		As at 31 March 2021	
	Nos	Rs. in lakhs	Nos	Rs. in lakhs
I. Investments valued at FVTPL (Unquoted)				
i) Investment in other companies				
Shivalik Solid Waste Management Limited (Face Value of Rs. 10/-	20,000	5.81	20,000	2.00
Total non-current investments	**20,000**	**5.81**	**20,000**	**2.00**

Particular	As at 31 Mar 2022	As at 31 March 2021
Aggregate of non-current investments:		
Book value of investments (net of impairment allowance)	5.81	2.00
Investments carried at deemed cost	-	-
Investments carried at fair value through profit and loss	5.81	2.00

Note 5 : Security Deposit
(Unsecured, Considered Good)

Particular	As at 31 Mar 2022	As at 31 March 2021
Security deposits	162.62	179.76
Less : ECL provision	(36.92)	(33.75)
	125.70	**146.01**

Note 6 : Other financial assets
(Unsecured, Considered Good)

Particular	As at 31 Mar 2022	As at 31 March 2021
Fixed Deposits	21.96	30.76
	21.96	**30.76**

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Rs. In Lakhs

Note 7 : Income tax assets (net)

(a) Amounts recognised in Statement of Profit and Loss

Particulars	As at 31 Mar 2022	As at 31 March 2021
Current tax expense (A)		
Current year	-	-
Short/(Excess) provision of earlier years	-	715.23
Deferred tax expense (B)		
Origination and reversal of temporary differences	(458.51)	322.99
Tax expense recognised in the income statement (A+B)	**(458.51)**	**1,038.22**

(b) Amounts recognised in other comprehensive income

Particulars	As at 31 Mar 2022			As at 31 March 2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	2.73	-	2.73	10.79	-	10.79
Gain on remeausring FVTPL financial assets	3.81	-	3.81	-	-	-
	6.54	**-**	**6.54**	**10.79**	**-**	**10.79**

(c) Reconciliation of effective tax rate

Particulars		Year Ended 31 March 2022	Year Ended 31 March 2021
Profit before tax		**(2,389.77)**	**(898.53)**
Tax using the Company's domestic tax rate (Current year 25.17% and Previous Year		(601.51)	(226.16)
Tax effect of :			
Effect of current year losses for which deferred tax asset is recognised		(563.92)	(108.20)
Property,plant & equipment		105.41	431.19
Tax expense as per Statement of Profit & Loss	(A)	**(458.51)**	**322.99**
Effective tax rate		19.19%	-35.95%
Tax of earlier years	(B)	-	**715.23**
Total Tax expense as per Statement of Profit & Loss	(A) + (B)	(458.51)	715.23

(d) Income tax assets (net)

Particular	As at 31 Mar 2022	As at 31 March 2021
Advance income tax and TDS(Net of Provisions)	58.16	27.80
Income Tax paid against dispute	173.90	173.90
Total income tax assets (Net)	**232.06**	**201.70**

Note 8 : Deferred tax liabilities

Particulars	As at 31 Mar 2022	As at 31 March 2021
Deferred income tax liabilities		
Excess of net block of fixed assets as per books over net block for tax	536.60	431.19
Deferred income tax asset		
Carried Forward Business Loss	672.12	108.20
Deferred tax Liabilities (net)	(135.52)	322.99

Note : The Holding company has not recognised deferred tax assets during the year on prudence basis.

Rs. In Lakhs

Note 9 : Other non-current assets

Unsecured

Particular	As at 31 Mar 2022	As at 31 March 2021
Capital advances		
- considerred good	439.70	-
- considerred doubtful	18.65	18.65
Less : Provision for Capital Advances	(18.65)	(18.65)
	439.70	**-**

Note 10 : Inventories

(Valued at lower of cost or net realisable value)

Particular	As at 31 Mar 2022	As at 31 March 2021
Work-in-progress	547.65	323.89
Finished goods	659.94	707.37
Consumable Stock	236.12	57.97
Stock-in-trade	47.68	13.54
Raw materials	669.20	845.80
Packing materials	591.65	411.74
	2,752.24	**2,360.31**

Note 11 : Trade receivable

(Unsecured)

Particular	As at 31 Mar 2022	As at 31 March 2021
Trade receivables		
Unsecured		
- considered good	1,783.55	1,349.28
- Undisputed having significant increase in credit risk	319.75	268.36
- Undisputed credit impaired	0.22	42.21
- Disputed having significant increase in credit risk	51.05	5.62
	2,154.56	**1,665.47**
Less: Provision for expected credit loss	(388.32)	(295.66)
	1,766.24	**1,369.79**

Trade Receivables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,668.32	102.70	12.53	-	-	1,783.55
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	4.03	20.31	18.36	277.05	319.75
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	0.22	0.22
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	0.00	10.54	39.97	0.54	51.05
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-
Less: Provision for expected credit loss	-	-	-	-	-	(388.32)
	1,668.32	**106.73**	**43.38**	**58.33**	**277.80**	**1,766.24**

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Rs. In Lakhs

Trade Receivables ageing schedule
As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,251.36	33.33	62.59	1.21	0.78	1,349.28
(ii) Undisputed Trade receivables - which have significant increase in credit risk	1.13	-	8.17	1.96	257.10	268.36
(iii) Undisputed Trade receivables - credit impaired	6.90	9.95	5.67	19.67	0.02	42.21
(iv) Disputed Trade receivables - considered good	1.34	2.07	1.03	-	1.19	5.62
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-
Unbilled Dues	-	-	-	-	-	-
Less: Provision for expected credit loss	-	-	-	-	-	(295.66)
	1,260.73	**45.35**	**77.46**	**22.84**	**259.09**	**1,369.79**

Note 12 : Security deposit

Particulars	As at 31 Mar 2022	As at 31 March 2021
Security deposits	10.00	10.00
	10.00	**10.00**

Note 13 : Cash and cash equivalent

Particulars	As at 31 Mar 2022	As at 31 March 2021
Balances with banks		
- Current accounts in Indian rupees	255.96	82.48
- Current accounts in Foreign currency	0.02	0.62
Cash on hand	4.52	5.29
	260.50	**88.39**

Note 14 : Bank balances other than cash and cash equivalents

Particular	As at 31 Mar 2022	As at 31 March 2021
Earmarked balances with banks for:		
Margin money deposits with original maturity of more than 3 months and remaining maturities of less than 12 months	142.46	112.75
Less : Fixed deposits with original maturity of more than one year	(21.96)	(30.76)
	120.50	**81.99**

* includes Rs. 142.46 lacs (31 March 2021: Rs. 112.76 lacs) pledged with bank as margin against bank guarantee.

Note 15 : Other financial assets
(Unsecured)

Particular	As at 31 Mar 2022	As at 31 March 2021
Accrued Interest on fixed deposit	5.93	2.20
Export Incentive receivables	27.59	2.70
Refund receivable from government authorities	103.35	38.78
	136.87	**43.68**

Note 16 : Other current assets
(Unsecured, Considered Good)

Particular	As at 31 Mar 2022	As at 31 March 2021
Advance to suppliers	35.51	385.77
Balances with government authorities	1,018.65	374.67
Prepaid expenses	17.68	18.68
Others	0.01	2.92
	1,071.85	**782.04**

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Rs. In Lakhs

Note 17 : Non current asset held for sale
(Unsecured, Considered Good)

Particular	As at 31 Mar 2022	As at 31 March 2021
Non current Asset held or sale	-	252.06
	-	**252.06**

Note 18A : Equity share capital

Particulars	As at 31 Mar 2022	As at 31 March 2021
Authorised share capital		
25,000,000 Equity Shares of Rs.10/- each	2,500.00	2,500.00
Total authorised share capital	**2,500.00**	**2,500.00**
Issued, subscribed and paid-up equity share capital:		
2,47,02,812 Equity shares of Rs. 10/- each	2,470.28	2,470.28
Total issued, subscribed and paid-up equity share capital	**2,470.28**	**2,470.28**

Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Particulars	Number	Amount
As at 1 April 2020	**247.03**	**2,470.28**
Issued during the year	-	-
As at 31 March 2021	**247.03**	**2,470.28**
Issued during the year	-	-
As at 31 March 2022	**247.03**	**2,470.28**

Terms/rights attached to equity shares:

(i) The holding company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

(ii) In the event of liquidation of the holding company, the holders of equity shares will be entitled to receive remaining assets of the holding company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shareholding of more than 5%:

Name of the Shareholder	As at 31 March 2022		As at 31 March 2021	
	No. of shares	% held	No. of shares	% held
Atul Ranchal	62,63,071	25.35%	62,63,071	25.35%
Rajesh Mahajan	51,14,151	20.70%	51,14,151	20.70%

Shares held by promoters at the end of the year :

Name of the Promoter	No. of shares		Percentage change during the period	No. of shares		Percentage change during the period
	Number	% of total shares		Number	% of total shares	
Atul Ranchal	62.63	25.35%	-	62.63	25.35%	-
Rajesh Mahajan	51.14	20.70%	-	51.14	20.70%	-
Total	**113.77**	**46.06%**		**113.77**	**46.06%**	

Note 18B : Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium	6,800.03	6,800.03
Retained earnings	(3,003.63)	(1,384.88)
Items of Other Comprehensive Income	38.40	29.40
	3,834.80	**5,444.56**

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Rs. In Lakhs

Nature and purpose of reserves

Securities premium reserve

The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders, if any.

Remeasurements of Net Defined Benefit Plans:

Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

Note 19 : Borrowings

Particulars	As at 31 Mar 2022	As at 31 March 2021
Secured		
Term loan from bank	1,315.54	1,764.64
Less: Current maturities of long term debts	(386.49)	(321.68)
	929.05	**1,442.94**
From Others	1.06	10.12
Less: Current maturities of long term debts	(1.06)	(9.06)
	-	**1.06**
Total non-current borrowings	**929.05**	**1,444.00**

Nature of security and terms of repayment :

Term loan from bank

1. Rs Nil (PY Rs.147.80 lacs). The loan is secured by Existing and future current assets and moveable fixed assets at Baddi unit and collaterally secured by equitable mortgage of land and building at Baddi unit and Mumbai unit. The loan from Indian bank carries interest @ 8%(K_EBLR + 1.00%) . Same has been fully repaid in CY

2. Loan amounting to Rs.354.43 lacs (PY Rs 395.02 lacs) is secured by way of hypothecation of stock, Book debt of subsidiary company and plant & machineries purchased out of the term loan and also secured by way of equitable mortgage charge of Land and factory building. The Loan is repayable in 36 equal monthly instalments of Rs. 12.44 lacs. Interest is payable at the rate of Present Card Rate 4.00% + 3.50% i.e. 7.50% as per Sanction Letter dated 10/03/2021. The period of maturity w.r.t. balance sheet date is 44 months including moratorium period of 8 months. The same was transferred by Indian Bank from holding company to subsidiary company as on 10/03/2021 via Sanction No. 07/2020-21.

3. Loan amounting to Rs.242.25 lacs (PY Rs.323.09 lacs) is secured by way of hypothecation with Indian Bank over entire current assets of the subsidiary Company, present & future, and by mortgaging Land and Building. The Loan from Indian bank is repayable in 48 equal monthly principal amount of Rs. 6.73 lacs. Interest is payable at the rate of Present Card Rate Repo i.e. 4.00% + 6.65% (Present 10.65%) as per Sanction Letter dated 10/03/2021. The period of maturity w.r.t. balance sheet date is 48 months. The same was transferred by Indian Bank from holding company to subsidiary company as on 10/03/2021 via Sanction No. 07/2020-21.

4. Loan amounting to Rs. 696.38 lacs (PY Rs. 851.71 lacs) is secured by way of Hypothecation with Indian Bank over entire current assets of the subsidiary Company, present & future, and by mortgaging Land and Building. The Loan from Indian bank is repayable in 22 quarterly equal principal amount of Rs. 38.77 lacs. Interest is payable at the rate of Present Card Rate Repo i.e. 4.00% + 6.55% (Present 10.55%) as per Sanction Letter dated 10/03/2021. The period of maturity w.r.t. balance sheet date is 88 months. The same was transferred by Indian Bank from holding company to subsidiary company as on 10/03/2021 via Sanction No. 07/2020-21.

5. Loan amounting to Rs. 34.27 lacs (PY Rs. 62.29 lacs) is secured by way of Hypothecation with Indian Bank over entire current assets of the subsidiary Company, present & future, and by mortgaging Land and Building. The Loan from Indian bank is repayable in 27 equal monthly principal amount of Rs. 2.33 lacs. Interest is payable at the rate of Present Card Rate Repo i.e. 4.00% + 3.70% (Present 7.70%) as per Sanction Letter dated 10/03/2021. The period of maturity w.r.t. balance sheet date is 27 months. The same was transferred by Indian Bank from holding company to subsidiary company as on 10/03/2021 via Sanction No. 07/2020-21.

From Others

Hire purchase loan amounting to Rs. 1.06 lacs (PY Rs. 10.12 lacs) from Kotak Mahindra Prime Ltd.The loan is secured by hypothecation of vehicles financed. Hire purchase loans from Kotak Mahindra Prime Ltd carries interest @ 10.67% p.a. The loan is repayable in 60 equal monthly instalments starting from June, 2016.

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Rs. In Lakhs

Note 20 : Lease liability

Particulars	As at 31 Mar 2022	As at 31 March 2021
Lease liabilities	84.88	-
	84.88	**-**

Note 21 : Other financial liability

Particulars	As at 31 Mar 2022	As at 31 March 2021
Consignee sales agents deposits	40.00	10.00
	40.00	**10.00**

Note 22 : Provisions

Particulars	As at 31 Mar 2022	As at 31 March 2021
Provision for employee benefits		
- Gratuity	129.58	101.57
- Leave entitlement and compensated absences	87.75	52.91
	217.33	**154.48**

Note 23 : Borrowings

Particulars	As at 31 Mar 2022	As at 31 March 2021
Secured		
Cash Credit from banks	1,104.67	1,363.73
Current maturities of long term borrowings	387.55	330.74
	1,492.22	**1,694.47**

Secured loans from Banks includes :

a) Cash Credit facility from Kotak Mahindra Bank amounting to Rs. 491.23 lacs (PY Rs. 681.99 lacs) is secured by 1st Hypothecation charge on Stocks, Receivable & all current assets and collaterally secured by Equitable Mortgage of Industrial Property at Baddi & Corporate office, Mumbai. It is further secured by Personal Guarantee of Directors of the Company. It carries interest @ (KMBR as on date 9.50%) + 1% with a minimum of 10.5%.

b) Cash Credit facility amounting to Rs 613.44 Lakhs (PY Rs 681.74 Lakhs) is transferred by the Indian bank from holding company to subsidiary company as on 10/03/2021 via Sanction No. 07/2020-21, its secured by way of hypothecation of stock and Book debt of subsidiary company and plant & machineries purchased out of the term loan Secured by the Equitable Mortgage charge for land and factory building

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The following is the summary of the differences between Current Assets declared with the Bank and as per Audited financial statements:

Name of Bank	Quarter	Particulars of Security	Amount as per Books	Amount reported in Quarterly return	Amount of difference
Kotak Mahindra Bank Limited	Q1	Inventory	2083.25	1439.70	643.55
		Trade receivables	1677.47	1673.39	4.08
		Trade payables	1981.01	1469.78	511.23
	Q2	Inventory	1522.16	1031.55	490.61
		Trade receivables	1804.89	1449.21	355.68
		Trade payables	1608.73	971.14	637.60
	Q3	Inventory	1846.33	1390.43	455.90
		Trade receivables	1637.04	1532.75	104.29
		Trade payables	2290.94	1835.98	454.96
	Q4	Inventory	1658.76	1348.39	310.36
		Trade receivables	1653.17	1413.90	239.27
		Trade payables	2332.97	1709.53	623.44

Note:- The above differences are because the Company has only submitted the details in relation to inventory, trade receivables and trade payables pertaining to Baddi unit with the bank. Inventory, trade receivables and trade payables pertaining to Loan licence and other trading location not considered in quarterly return.

Name of Bank	Quarter	Particulars of Security	Amount as per Books	Amount reported in Quarterly	Amount of difference
Indian Bank Limited	Q1	Inventory	110.02	110.02	-
		Trade Receivables	81.87	81.87	-
		Trade Payables	49.66	49.65	-
	Q2	Inventory	160.36	160.36	-
		Trade Receivables	66.21	66.21	-
		Trade Payables	122.53	122.53	-
	Q3	Inventory	85.69	85.69	-
		Trade Receivables	49.12	49.12	-
		Trade Payables	51.91	51.91	-
	Q4	Inventory	55.01	55.01	-
		Trade Receivables	97.86	97.86	-
		Trade Payables	181.43	181.43	-

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Note 24 : Lease liability

Particulars	As at 31 Mar 2022	As at 31 March 2021
Lease Liabilities	19.70	-
	19.70	-

Note 25 : Trade Payables

Particulars	As at 31 Mar 2022	As at 31 March 2021
- Total outstanding dues of Micro Enterprises and Small Enterprises	1,214.20	371.88
- Total outstanding dues of creditors	1,585.81	2,723.38
	2,800.01	3,095.28

The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED
The disclosure pursuant to the said Act is as under:

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
Principal amount due to suppliers under MSMED Act	1,214.20	371.88
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond appointed day during the year	-	1,316.99
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date	-	-

Note: Interest paid or payable by the company on the aforesaid principal amount has been waived by the concerned suppliers

Trade Payables ageing schedule

As at March 31, 2022

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	1,676.28	1.99	-	-	1,678.27
(ii) Others	955.14	12.01	110.34	-	1,077.49
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	44.25	-	-	-	44.25
	2,675.67	14.00	110.34	-	2,800.01

As at March 31, 2021

Particulars	Outstanding for following periods				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Micro and Small Enterprises	371.30	0.60	-	-	371.89
(ii) Others	2,504.83	37.89	108.23	-	2,650.95
(iii) Disputed Dues - Micro and Small Enterprises	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Unbilled Dues	72.44	-	-	-	72.44
	2,948.56	38.49	108.23	-	3,095.28

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Note 26 : Other financial liability

Particulars	As at As at 31 Mar 2022	As at As at31 Mar 2021
Interest accrued and due on borrowings	10.65	1.49
Salary & wages payable	148.62	106.03
Payable for capital goods	12.22	-
Duties & Taxes payable	60.94	202.76
Consignee Sales Agents Deposits	10.00	21.95
Other Payables	12.27	-
Optionally convertable redeemable preference shares (including securities premium)	-	1,000.00
	254.70	**1,332.23**

Note 27 : Other liabilities

Particulars	As at 31 Mar 2022	As at 31 March 2021
Advance from customer	217.96	114.73
Other Payables	-	11.36
	217.96	**126.09**

Note 28 : Provisions

Particulars	As at 31 Mar 2022	As at 31 March 2021
Provision for employee benefits		
- Gratuity	24.78	37.82
- Leave entitlement and compensated absences	23.54	36.21
- Bonus Payable	54.92	36.06
Other Provision	-	3.26
	103.24	113.35

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Rs. In Lakhs

Note 29 : Revenue from operations

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Sale of drugs*	9,009.34	7,704.02
Other Operating revenue		
Export Incentives	38.16	14.52
Sale of Dossier	10.02	3.39
Scarp sale	9.20	2.76
Job Processing	41.00	-
Total Revenue from Operations	**9,107.72**	**7,724.69**

* Sales are reported net of discounts, rebates and returns.

Note 30 : Other income

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Interest income	8.77	16.94
Notional income from corporate guarantee in favour of subsidiary	-	1.22
Profit on sale of property plant and equipment	13.10	-
Dividend from investments	0.30	0.30
Profit on foreign exchange fluctuation (net)	22.21	-
Liability no longer payable	22.26	-
Bad debts recovered	10.74	-
Miscellaneous income	13.53	55.09
Total other income	**90.91**	**73.55**

Note 31 : Cost of materials consumed

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Raw Material (Including Packing Material)		
Opening stock	1,257.54	666.27
Add: Purchases	6,317.83	5,749.20
Less: Closing stocks	(1,281.92)	(1,748.20)
	6,293.45	**4,667.27**

Note 32 : Purchases of stock-in-trade

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Purchases of Stock-in-trade	195.85	423.65
	195.85	**423.65**

Note 33 : Changes in inventories of finished goods, work - in progress

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Opening inventory		
- Finished Goods	707.37	420.11
- Traded Goods	13.54	21.85
- Work-in-progress	323.89	269.26
	1,044.80	**711.22**
Closing inventory		
- Finished Goods	659.94	707.37
- Traded Goods	47.68	13.54
- Work-in-progress	547.65	323.89
	1,255.27	**1,044.80**
Changes in inventories	**(210.47)**	**(333.58)**

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Note 34 : Employee benefits expense

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Salaries and wages	1,535.39	1,110.07
Director Remuneration	229.69	232.65
Contribution to provident and other funds	106.82	72.60
Staff welfare	43.05	21.51
Total employee benefits expense	**1,914.95**	**1,436.83**

Note 35 : Finance costs

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Interest expense	280.63	301.55
Interest expense on lease liability	2.49	8.29
Other Borrowing cost	26.57	-
Total finance costs	**309.69**	**309.84**

Note 36 : Other expenses

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Manufacturing expenses		
Stores & spares consumed	384.53	135.72
Power & fuel	398.68	270.23
Repairs :		
- Plant & machinery	20.02	29.80
- Factory building	78.50	6.64
- other	20.52	63.13
Other factory expenses	168.15	174.91
Packing charges	138.85	86.25
Jobwork processing charges	91.81	-
Administration, selling and distribution expenses		
Rent	5.84	1.80
Insurance expenses	24.28	16.79
Vehicle Hire Service	24.61	-
Legal and professional fees	179.97	63.13
Taxes and Licence Fees	15.47	-
Auditor's remuneration	9.21	9.97
Travelling & conveyance	147.70	95.03
Sales promotion expenses	26.01	25.71
Commission paid	143.31	128.54
Transportation, freight & handling charges	50.87	47.62
Loss on sale/ discard of property, plant and equipment	-	5.61
Provision for Expected credit loss (net of reversal)	92.87	4.62
Provision for Capital Advance	-	18.65
CSR Expense	-	72.51
Business Share Expense	180.00	-
Miscellaneous Expenses	148.66	221.77
	2,349.86	1,478.43

Auditors' remuneration:

i) Statutory audit fees	8.40	8.65
ii) Taxation Matters	0.81	1.32
	9.21	9.97

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Note 37 : Earnings per equity share of Rs. 10 each

The amount considered in ascertaining the Company's earnings per share constitutes the net loss after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of shares which could have been issued on conversion of all dilutive potential shares.

Basic and diluted EPS

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Profit computation for basic earnings per share of Rs. 10 each		
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity	(1,931.26)	(1,753.35)
Weighted average number of equity shares for EPS computation* (Nos.)	247.03	247.03
EPS - Basic and Diluted EPS (Rs.)	(7.82)	(7.10)
* after retrospective adjustment for bonus element involved in right issue as per Ind AS 33		

Note 38 : Related party disclosures as required under Indian Accounting Standard 24, "Related party disclosures" are given below:

a) Names of related parties and nature of relationship (to the extent of transactions entered into during the year except for control relationships where all parties are disclosed)

Name of related party	Nature of relation
(A) Directors	
Mr. Atul Ranchal	Chairman
Mr. Rajesh Mahajan	Managing Director
Mr. Suresh Garg (upto 03.09.2021)	Wholetime Director
Mr. Manpreet Singh Naroo (from 03.09.2021)	Wholetime Director
Mrs. Kaushalya Singh (from 03.09.2021 to 11.12.2021)	Wholetime Director
Mr. Rajnish Kumar Bedi	Independent Director
Mr. Deepak Mahajan	Independent Director
Mrs. Sonia Gupta	Independent Director
(B) Key managerial personel	
Mr. Anil Kumar Pillai (upto 12th may 2020)	Chief Financial Officer
Mr. Prashant Rathi (from 24 th july 2020)	Chief Financial Officer
Mrs. Jyoti Sancheti	Company Secretary
(B) Relative of Directors	
Mrs. Saras Gupta	Relative of Director
Mrs. Rajani Ranchal	Relative of Director
Mr. Savvy Ranchal	Relative of Director
Mr. Aryan Mahajan	Relative of Director
Mr. Manmohanlal Mahajan	Relative of Director
Mr. Erwin Mahajan	Relative of Director
Ms. Selina Ranchal	Relative of Director
Mrs. Davinder Kumari	Relative of Director
(D) Associate Concern	
Steriscience Specialties Private Limited	Joint Venturer
Steribrooks Penems Private Limited	Associate

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Note 38 : **Related party disclosures** as required under Indian Accounting Standard **24, "Related party disclosures"** are given below:

b) Transactions carried out with related parties referred to above, in ordinary course of business and balances outstanding:

Particulars	Nature of Transaction	Year ended 31 Mar 2022	Year ended 31 March 2021
Mr. Atul Ranchal	Director Remuneration*	96.00	96.00
	Sitting Fees	0.20	1.60
Mr. Rajesh Mahajan	Director Remuneration*	96.00	96.00
	Sitting Fees	0.20	1.40
Mr. Suresh Garg	Director Remuneration*	-	40.45
	Sitting Fees	0.20	1.60
Mr. Rajnish Kumar Bedi	Sitting Fees	1.20	1.40
Mr. Deepak Mahajan	Sitting Fees	1.10	1.40
Mrs. Sonia Gupta	Sitting Fees	1.10	1.40
Mr. Anil Kumar Pillai	Salary	-	0.34
Mr. Prashant Rathi	Salary	25.01	16.25
Mrs. Jyoti Sancheti	Salary	8.04	7.56
Mrs. Saras Gupta	Salary	28.80	28.80
Mrs. Rajani Ranchal	Salary	28.80	28.80
Mr. Savvy Ranchal	Salary	8.83	-
Mrs. Davinder Kumari	Salary	14.65	24.00
Steriscience Specialities Private	Purchases	-	959.36
	Miscellaneous income	-	25.91
Steribrooks Penems Private Limited	Sales	-	816.41

*Remuneration to Directors is exclusive of gratuity, leave encashment & insurance as they are determined for company as a..whole and not on individual basis.

c. **Balance Outstanding of Related Parties :**

Particulars	Nature of Transaction	As at 31 March 2022	As at 31 March 2021
Mr. Atul Ranchal	Director Remuneration	5.31	3.20
	Sitting fees payable	0.18	4.80
Mr. Rajesh Mahajan	Director Remuneration	-	3.85
	Sitting fees payable	0.18	4.62
Mr. Suresh Garg	Director Remuneration	-	0.43
	Sitting fees payable	0.18	2.60
Mr. Rajnish Kumar Bedi	Sitting fees payable	1.08	4.44
Mr. Deepak Mahajan	Sitting fees payable	0.99	4.24
Mrs. Sonia Gupta	Sitting fees payable	0.99	3.84
Mr. Prashant Rathi	Salary & Wages Payable	2.10	1.17
Mrs. Jyoti Sancheti	Salary & Wages Payable	0.71	0.62
Mrs. Saras Gupta	Salary & Wages Payable	1.72	1.80
Mrs. Rajani Ranchal	Salary & Wages Payable	1.92	1.80
Mr. Savvy Ranchal	Salary & Wages Payable	2.12	-
Mrs. Davinder Kumari	Salary & Wages Payable	-	1.90

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Note 39 : Contingent liabilities and Commitments

(A) Contingent liabilities

I)Guarantees

Particular	As at 31 March 2022	As at 31 March 2021
Bank Guarantee	163.28	138.79

II) Other money for which the company is contingently liable

Particular	As at 31 March 2022	As at 31 March 2021
Disputed liability in respect of Income tax (Refer Note below)	556.49	556.49
Claims against the Company not acknowledged as debts	8.84	8.84

The Company has received Notice of Demand u/s 156 of the Income Tax Act, 1961 for the three assessment years and company has filed an appeal against the same. Details of the same are given as follows :

A.Y to which matter pertains	Demand Amount Raised in FY 21-22	Stay amount paid till FY 21-22	Demand Amount Raised in FY 20-21	Stay amount paid till FY 20-21
2013-14	339.51	101.00	339.51	101.00
2014-15	142.85	21.45	142.85	21.45
2015-16	0.68	-	0.68	-
2016-17	73.45	51.45	73.45	51.45
Total	**556.49**	**173.90**	**556.49**	**51.45**

(B) Commitments

Particular	As at 31 March 2022	As at 31 March 2021
II) EPCG Commitment (Refer Note below)	-	209.80
ii) Duty against the material imported on Advance license (Refer Note below)	67.95	116.98

The Company has obtained license under Export Promotion Capital Goods Scheme(EPCG) for purchase of capital goods on zero percent/ reduced custom duty. The Company needs to fulfill certain export obligations, failing which, it is liable for payment of custom duty. Export obligations is Rs. 3,665.17 lacs out of which Rs. Nil (P.Y Rs 1846.23 lacs) needs to be completed within 8 years from the date of purchase of respective Capital Goods.
In case of advance licence, material must be exported within 18 months from the date on which goods were cleared from Customs under advance licence.

Note 40 : Leases

Effective April 1, 2019, the Company has adopted Ind AS 116, Leases, using modified restrospective approach. On adoption of the new standard IND AS 116 resulted in recognition of 'Right of Use' assets and lease liability. The cumulative effect of applying the standard has been debited to retained earnings. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

Following are the changes in the carrying value of right of use assets for the year

Particulars	As at March 2022	2021
Opening carrying value of Rights to use Assets	-	67.48
Addition	236.23	-
Depreciation	(25.02)	(23.77)
Deletion	(105.18)	(43.71)
Closing carrying value of Rights to use Assets	**106.03**	-

The following is the break-up of current and non-current lease liabilities

Particulars	As at March 2022	2021
Current lease liabilities	19.70	-
Non-Current lease liabilities	84.88	-
Closing balance	**104.59**	-

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Note 40 : Leases

The following is the movement in lease liabilities during the year

Particulars	As at March 2022	2021
Opening balance	-	76.03
Addition	109.29	-
Finance cost accrued during the period	2.49	5.93
Payment of lease liabilities	(7.20)	(18.33)
Profit on lease rent concession	-	(10.71)
Deletion	-	(52.91)
Closing balance	**104.59**	**-**

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis :

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Less than one year	28.80	-
- Later than one year but not later than five years	98.21	-
- Later than five years	-	-
TOTAL	**127.01**	**-**

Note 41 : Expenditure on Corporate Social Responsibility Activities

Particulars	As at 31 Mar 2022	As at 31 March 2021
Details of CSR Expenditure:		
Gross amount required to be spent by the Company during the year.	-	72.48

Particulars	As at 31 March 2022	As at 31 March 2021
Amount required to be spent by the company during the year	-	72.51
Amount of expenditure incurred	-	72.51
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-
Nature of CSR activities		
a) Construction / acquisition of any assets	-	-
b) On purpose other than 1 above	-	72.51
Amount yet to be spent / paid	-	-
Details of Related party transactions	-	-
Liability incurred by entering into contractual obligations	-	-

Note 42 : Segment Reporting as required under Indian Accounting Standard 108, "Operating Segments" :

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director/Chairman of the Company. The Company operates only in one Business Segment i.e. "Manufacturing of Drugs & Pharmaceutical", hence

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Rs. In Lakhs

Note 43 : Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

A **Defined benefit obligations - Gratuity (Non Funded)**

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year		
	Defined Benefit Obligation ("PBO") at the beginning of the year	124.63	131.45
	Service cost	16.42	24.39
	Interest cost	7.07	8.22
	Actuarial loss / (gain)	(8.85)	(10.79)
	Benefits paid	(10.54)	(13.88)
	Less : Transfer in Slump sales	-	(14.76)
	Present value of obligation as at the end of the year	**128.72**	**124.63**
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	16.42	24.39
	Past service cost	-	-
	Interest cost	7.07	8.22
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss recognized in the year	-	-
	Total	**23.49**	**32.60**
c)	**Remeasurement (gains)/ losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(3.61)	-
	Actuarial changes arising from changes in demographic assumptions	-	-
	Experience adjustments	(5.24)	(30.34)
	Total	**(8.85)**	**(30.34)**
d)	**Actuarial assumptions**		
	Discount rate	6.85% p.a.	6.20% p.a.
	Normal retirement age (in years)	58	58
	Salary escalation rate (% p.a.) *	5% p.a.	5% p.a.
	Attrition rate	10% at all ages	10% at all ages
	Mortality rate	Indian assured lives mortality (2012-14) ultimate	Indian assured lives mortality (2012-14) ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

e) **Quantities sensitivity analysis for significant assumption is as below:**

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
	1% increase	1% increase
i. Discount rate	122.65	132.22
ii. Salary escalation rate - over a long-term	133.05	144.78
	1% decrease	1% decrease
i. Discount rate	127.98	147.36
ii. Salary escalation rate - over a long-term	124.80	134.46

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

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B **Other Employee Benefits**
Leave Encashment (Non Funded)

	Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
a)	**Changes in defined benefit obligations**		
	Present value of obligation as at the beginning of the year		
	Defined Benefit Obligation ("PBO") at the beginning of the year	68.33	66.42
	Service cost	10.24	17.51
	Interest cost	3.74	4.06
	Actuarial loss / (gain)	(4.02)	4.68
	Benefits paid	(2.88)	(3.54)
	Less : Transfer in Slump sales	-	(20.80)
	Present value of obligation as at the end of the year	**75.41**	**68.33**
b)	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	10.24	17.51
	Past service cost	-	-
	Interest cost	3.74	4.06
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss recognized in the year	(4.02)	4.68
	Total	**9.96**	**26.25**
c)	**Remeasurement (gains)/ losses recognised in OCI**		
	Actuarial changes arising from changes in financial assumptions	(1.32)	-
	Actuarial changes arising from changes in demographic assumptions	-	(15.85)
	Experience adjustments	(1.37)	10.47
	Total	**(2.69)**	**(5.38)**

d) **Quantities sensitivity analysis for significant assumption is as below:**

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
	1% increase	1% increase
i. Discount rate	74.09	85.69
ii. Salary escalation rate - over a long-term	79.62	92.86
	1% decrease	1% decrease
i. Discount rate	79.61	92.85
ii. Salary escalation rate - over a long-term	74.03	85.62

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

C **Current/ non-current classification**

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Gratuity		
Current	24.78	37.82
Non-current	129.58	101.57
	154.35	**139.40**
Leave entitlement (including sick leave)		
Current	23.54	36.21
Non-current	87.75	52.91
	111.29	**89.12**

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Note 44 : Fair Value Measurement

(i) Financial instruments by category

Particulars	Refer note	31 March 2022					31 March 2021				
		Non - Current	Current	FVTPL	FVOCI	Amortised Cost	Non - Current	Current	FVTPL	FVOCI	Amortised Cost
Financial Assets:											
Investments											
Investments in equity shares	4	5.81	-		5.81	-	2.00	-	-	-	2.00
Security deposit	5	125.70	10.00			135.70	146.01	10.00	-	-	146.01
Trade receivables	11	-	1,766.24	-	-	1,766.24	-	1,369.79	-	-	1,369.79
Others financial assets	6	21.96	136.87	-	-	158.83	30.76	43.68	-	-	74.44
Cash and cash equivalents	13	-	260.50	-	-	260.50	-	88.39	-	-	88.39
Other bank balances	14	-	120.50	-	-	120.50	-	81.99	-	-	81.99
Total Financial Assets		**153.46**	**2,294.11**	**-**	**5.81**	**2,441.76**	**178.78**	**1,593.85**	**-**	**-**	**1,762.63**
Financial Liabilities:											
Borrowings	19	929.05	1,492.22	-	-	2,421.27	1,444.00	1,694.47	-	-	3,138.47
Lease Liabilities	20	84.88	19.70	-	-	104.59	-	-	-	-	-
Trade payables	23	-	2,800.01	-	-	2,800.01	-	3,095.27	-	-	3,095.27
Other financial liabilities	26	40.00	254.70	-	-	294.70	10.00	1,342.23	-	-	1,342.23
Total Financial Liabilities		**1,053.93**	**4,566.64**	**-**	**-**	**5,620.57**	**1,454.00**	**6,131.97**	**-**	**-**	**7,575.97**

The Company has not disclosed the fair values for financial instruments for other financial assets (current and non current), trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents,Borrowings (current and non current),Trade payables, other current financial liabilities because their carrying amounts are reasonably approximation of fair value.

(ii) Fair value hierarchy

Fair value hierarchy explains the judgement and estimates made in determining the fair values of the financial instruments that are -

a) recognised and measured at fair value
b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

Assets and Liabilities that are disclosed at Amortised Cost for which Fair values are disclosed are classified as Level 3.
If one or more of the significant inputs is not based on observable market data, the respective assets and liabilities are considered under Level 3.

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Note 45 : Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i. **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Major financial instruments affected by market risk includes loans and borrowings.

a) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Fixed-rate instruments:		
Financial liabilities (Borrowings)	1.06	10.12
	1.06	**10.12**
Variable-rate instruments:		
Financial liabilities (Borrowings)	2,420.22	3,128.37
	2,420.22	**3,128.37**
Total Borrowings	**2,421.28**	**3,138.49**

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit/(loss) before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Increase in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, increase by	12.10	15.64
Decrease in basis points	50 basis points	50 basis points
Effect on profit/(loss) before tax, decrease by	(12.10)	(15.64)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b) **Foreign currency risk**

The Group is exposed to currency risk on account of its operating and financing activities. The functional currency of the Group is Indian Rupee. Our exposure are mainly denominated in U.S. dollars and European dollars. The Group's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations. This intent has been achieved in all years presented. The Group has put in place a Financial Risk Management Policy to identify the most effective and efficient ways of managing the currency risks.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2022 are as below:

31st March, 2022	Rs. in lakhs	EUR	Rs. in lakhs	USD
Financial assets				
Trade Receivables	-	-	83.35	1.13
Advance from customers	64.68	0.75		
Cash and cash equivalents	-	-	-	0.01
Net exposure for assets	**64.68**	**0.75**	**83.35**	**1.14**
Financial liabilities				
Trade Payables	-	-	-	-
Net exposure for liabilities	-	-	-	-
Net exposure (Assets - Liabilities)	**64.68**	**0.75**	**83.35**	**1.14**

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The currency profile of financial assets and financial liabilities as at March 31, 2021 are as below:

31st March, 2021	Rs. in lakhs	EUR	Rs. in lakhs	USD
Financial assets				
Trade Receivables	-	0.03	-	1.30
Cash and cash equivalents	-	-	-	0.01
Net exposure for assets	-	0.03	-	1.30
Financial liabilities				
Trade Payables	-	-	-	-
Net exposure for liabilities	-	-	-	-
Net exposure (Assets - Liabilities)	-	0.03	-	1.30

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars and European dollars at 31st March would have affected the measurement of financial instruments denominated in US dollars and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. In cases where the related foreign exchange fluctuation is capitalised to fixed assets or recognised directly in reserves, the impact indicated below may affect the Group's income statement over the remaining life of the related fixed assets or the remaining tenure of the borrowing respectively.

Impact of movement on Profit or (loss) and Equity :

Effect in INR (before tax)	Profit or (loss) and Equity Strengthening	 Weakening
For the year ended 31st March, 2022		
1% movement		
USD	1.00	(1.00)
EUR	(1.00)	1.00
	-	-
For the year ended 31st March, 2021		
1% movement		
USD	1.00	(1.00)
EUR	-	-
	1.00	(1.00)

c) **Other price risk**

The Group is not exposed to any other price risk.

ii. **Credit risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade and other receivables, cash and cash equivalents and security deposits.

Trade receivable

The Group extends credit to customers in normal course of business. The Group considers factors such as credit track record in the market and past dealings for extension of credit to customers. To manage credit risk, the Group periodically assesses the financial reliability of the customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. Outstanding customer receivables are regularly monitored to make an assessment of recoverability. Receivables are provided as doubtful / written off, when there is no reasonable expectation of recovery. Where receivables have been provided / written off, the Group continues regular follow up,engage with the customers, legal options / any other remedies available with the objective of recovering these outstandings.The Group is not exposed to concentration of credit risk to any one single customer since services are provided to vast specturm.

Ageing of Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Not due	-	-
0 - 6 months	1,668.32	1,260.73
6 - 12 months	106.73	45.35
Beyond 12 months	379.51	359.39
Total	**2,154.56**	**1,665.47**

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Other Financial Assets

The Group is maintains exposure in cash and cash equivalents, security deposits and other receivables. The Group goes through regular follow up for recovering the amount of deposit and other receivables. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

The movement of the allowance for lifetime expected credit loss is stated below:

Particulars	Year ended 31 Mar 2022	Year ended 31 March 2021
Opening allowance	295.66	293.80
Add : additional allowance made	92.66	1.86
Less : allowance reversed		-
Closing provisions	388.32	295.66

iii. **Liquidity risk**

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

Particulars	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 March 2022					
Borrowings	1,104.67	387.55	387.76	541.29	2,421.27
Lease Liabilities	-	19.70	84.88	-	104.59
Trade payables	-	2,800.01	-	-	2,800.01
Other financial liabilities	-	254.70	40.00	-	294.70
	1,104.67	**3,461.97**	**512.64**	**541.29**	**5,620.57**
As at 31 March 2021					
Borrowings	1,363.73	330.74	1.07	1,442.94	3,138.47
Lease Liabilities	-	-	-	-	-
Trade payables	-	3,095.28	-	-	3,095.27
Other financial liabilities	1,000.00	342.23	-	-	1,342.23
	2,363.73	**3,768.25**	**1.07**	**1,442.94**	**7,575.97**

Note 46 : Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

To maintain or adjust the capital structure, the Group usually turns to reputed banks and other financial institutions for funds. Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital plus total debts.

Particulars	As at 31 March 2022	As at 31 March 2021
Total debts	2,431.92	3,139.96
Total equity	6,305.08	7,914.84
Total debts to equity ratio (Gearing ratio)	27.83%	28.40%

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Rs. In Lakhs

Note 47 : Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary

Name of the Enterprises	Net Assets		Share in Profit or loss		Other comprehensive income		Total comprehensive income	
	Net Assets i.e. total assets minus total liabilities	As % of Consolidated Net Assets	Profit / (Loss)	As % of Consolidated Profit or Loss	Other comprehensive income	As % of Other comprehensive income	Total comprehensive income	As % of Other comprehensive income
For the year ended March 31, 2022								
Parent								
Brooks Laboratories Limited	6,500.29	36%	(1,584.02)	82%	10.79	100%	(1,573.23)	82%
Subsidiary								
Brooks Steriscience Limited	11,604.92	64%	(352.74)	18%	-	0%	(352.74)	18%
Associate								
Steribrooks Penems Private Limited	-	0%	(0.80)	0%	-	0%	(0.80)	0%
Net Total	**18,105.21**	**100%**	**(1,937.55)**	**100%**	**10.79**	**100%**	**(1,926.76)**	**100%**
Minority Interest in subsidiary	**-**	**0%**	**-**	**0%**	**-**	**0%**	-	**0%**
Total	**18,105.21**	**100%**	**(1,937.55)**	**100%**	**10.79**	**100%**	**(1,926.76)**	**100%**

Note 48 : The list of subsidiaries and associates in the consolidated financial statements are as under :

Name of the Enterprise	Country of Incorporation	Proportion of Ownership Interest
		Year Ended March 31, 2022
Subsidiary		
Brooks Steriscience Limited	India	59.65%
Associate		
Steribrooks Penems Private Limited	India	44.33%

Note 49 : Prior year comparatives

Previous year's figures have been regrouped or reclassified, to conform to the current year's presentation wherever considered necessary.

Notes 1 to 49 form an integral part of the financial statements

In terms of our report on even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No : 112081W/W100184

Suresh Murarka
Partner
Mem. No. 44739
Place: Mumbai
Date : 30th May 2022

S G C O & CO LLP
FRN - 112081W/W100184
MUMBAI
Chartered Accountants

For and on behalf of the Board of Directors

Atul Ranchal
Chairman
Din : 01998361
Place: Mumbai
Date : 30th May 2022

Rajesh Mahajan
Managing Director
Din : 02000634

Prashant Rathi
CFO

Jyoti Sancheti
Company Secretary

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OTHER INFORMATION

STATEMENT OF ACCOUNTING AND OTHER RATIOS

Particulars	31.12.22	31.03.22	31.03.21
EBITDA (Rs. in Lacs)	(2,567.91)	(1,371.58)	1,24.84
Net Profit (Rs.in Lacs)	(2,675.57)	(1,931.26)	(1,937.55)
Net Worth (Rs.in Lacs)(Refer Note 1)	7,827.68	6,305.11	3,957.42
Return on Net worth (%)(Refer Note 2)	(34.181%)	(30.63%)	(24.48%)
Basic and Diluted Earnings per Equity Share (Refer Note 3)	(6.72)	(7.82)	(7.84)
Net Asset Value / Book Value per Equity share (Based on no of share at the end of year)	31.68	25.52	32.04

Note:

1. Net Worth: Equity Share Capital + Other Equity(Securities premium + Retained earnings+ Other Comprehensive Income.)

2.Return on Net Worth: Net Profit After Tax / Net Worth

3.Net Asset Value or Book Value : Equity Share Capital + Other Equity(Securities premium + Retained earnings+ Other Comprehensive Income)

CAPITALISATION STATEMENT

Particulars	**Pre Issue** **As at 31.12.2022**
Debt :	
Short term debt	553.17
Long term debt	-
Total Debt	**553.17**
Shareholders Funds	
Equity Share Capital	2470.28
Reserves and Surplus	5357.40
Less: Revaluation Reserves	
Total Shareholders' Funds	**7827.68**
Long Term Debt/ Shareholders' Funds	-
Total Debt / Shareholders Fund	0.071

**Post Issue Capitalisation will be determined post finalization of relevant parameters at the time of finalizing the final Letter of Offer.*

MATERIAL DEVELOPMENTS

There are no material developments since December 31, 2022, which significantly affect the operations, performance, prospects or financial condition of our Company.

During the quarter ended December 31, 2022, the Company has lost control over its subsidiary company Brooks Steriscience Limited (BSL), and the Company now jointly controls the entity along with its JV partner and has accounted accordingly after loss of control. The Company has, accordingly, derecognised the assets and liabilities of the former subsidiary from the consolidated balance sheet and has recognised retained investment at fair value when control is lost. Gain on loss of control over BSL amounting to Rs 35.67 lacs has been credited to the profit and loss account under exceptional item.

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

You should read the following discussion of our financial condition and results of operations together with our consolidated financial statements included in the Draft Letter of Offer. You should also read the section entitled "Risk Factors" on page **Error! Bookmark not defined.***, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The Consolidated Financial Information included in this Draft Letter of Offer are prepared and presented in accordance with Ind AS, in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "***Guidance Note***").*

Our consolidated financial statements have been prepared in accordance with Ind AS, the Companies Act and the ICDR Regulations which is included in this Draft Letter of Offer under "Consolidated Financial Statements". The Consolidated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, other than as mentioned below, since the date of the last financial statements disclosed in this Draft Letter of Offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. Our Board pursuant to its resolution dated January 25, 2023 has authorized this Issue.

2. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed through e-voting, the results of which were declared on March 4, 2023.

COVID 19 Pandemic:

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts, and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees' contact COVID-19, we may be required to quarantine our employees and shut down our office. Risks arising on account of COVID-19 can also threaten the safe operation of our office, loss of life, injuries and impact the well-being of our employees. These risks could have an adverse effect on our business, results of operations, cash flows and financial condition. At this point of time, our Company cannot predict by when the economy will resume to normalcy, or at all.

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Pharmaceutical regulatory framework in India and global markets

We operate in a highly regulated sector and we have to comply with extensive regulation in each market we operate to obtain necessary approvals to manufacture, sell and/or market our products. We must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our new products for sale in a timely manner and our manufacturing facilities remain approved by the relevant regulators.

We are governed by various local, regional and national regulatory regimes in various aspects of our operations, including licensing and certification requirements and procedures for manufacturers of pharmaceutical products, operating and safety standards, as well as environmental protection regulations. There can be no assurances that the legal framework, licensing and certification requirements or enforcement trends in our industry will not change in a manner that does not result in increased costs of compliance, or that we will be successful in responding to such changes. In addition, we are subject to the risk of adverse changes to favourable policies from which we currently benefit, and the introduction of unfavourable policies.

The following important factors could cause actual results to differ materially from the expectations include among others:
• General economic and business conditions;
• Volatility in financial market
• Increasing competition in the industry;
• Changes in the value of the Indian rupee and other currencies;
• Changes in laws and regulations that apply to the industry;
• Changes in fiscal, economic or political conditions in India;

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, "Annexure IV" beginning under "Auditors' Report and Financial Information of our Company" on page 83.*

RESULTS OF OPERATIONS

The following discussion on results of operations should be read in conjunction with the consolidated financial results of our Company for the 9 months period ended December 31, 2022 and financial years ended March 31, 2022 and 2021.

For the 9 months period ended December 31, 2022:

(₹ Lakhs)

Particulars	For the period ended 31-12-22	% of Total Income
Income		
Revenue from Operations	5050.77	
Other Income	26.32	
Total Income	**5077.09**	
Cost of Materials Consumed	3320.97	65.41%
Purchase of Stock in Trade	428.66	8.44%
Changes in Inventories	490.08	9.65%
Employee Benefit Expenses	1507.93	29.70%
Other Expenses	1940.94	38.23%
Total Expenditure	**7688.58**	**151.44%**
EBITDA	**-2611.49**	**-51.44%**
Interest & Financial Charges	199.89	3.94%
Depreciation	659.13	12.98%
PBT	**-3470.51**	**-68.36%**
Share of Profit of Associate	26.86	0.53%

Exceptional Items	35.67	0.70%
Tax Expenses	-732.40	-14.43%
Profit After Tax	**-2675.58**	**-52.70%**

Revenue from operations

The Revenue from operations was ₹ 5050.77 lakhs for the 9 months period ended December 31, 2022. This primarily includes sale of drugs. Other Income for the 9 months period ended December 31, 2022 was ₹ 26.32 lakhs. Hence the Total Income for the 9 months period ended December 31, 2022 was ₹ 5077.09 lakhs.

Expenditure:

The total operating expenditure aggregated to ₹ 7688.58 lakhs which was 151.44% of the total income.

Cost of Materials consumed stood at ₹ 3320.97 lakhs which was 65.41% of the total income.

Purchase of Stock in Trade stood at ₹ 428.66 lakhs which was 8.44% of the total income.

Changes in Inventories stood at ₹ 490.08 lakhs.

Employee Benefit Expenses stood at ₹ 1507.93 lakhs which was 29.70% of the Total Income.

Other Expenses stood at ₹ 1940.94 lakhs which was 38.23% of the Total Income.

Interest & Financial Charges: Interest and financial expenses stood at ₹ 199.89 lakhs which was 3.94% of the Total Income.

Depreciation: We incurred Depreciation cost of ₹ 659.13 lakhs, which was 12.98% of our Total Income.

Share of Profit of Associate: The share of profit of associate stood at ₹ 26.86 lakhs.

Exceptional Item: This stood at ₹ 35.67 lakhs.
During the quarter ended December 31, 2022, the Company has lost control over its subsidiary company Brooks Steriscience Limited (BSL), and the Company now jointly controls the entity along with its JV partner and has accounted accordingly subsequent to loss of control. The Company has, accordingly, derecognised the assets and liabilities of the former subsidiary from the consolidated balance sheet and has recognised retained investment at fair value when control is lost. Gain on loss of control over BSL amounting to Rs 35.67 lacs has been credited to the profit and loss account under exceptional item.

Tax Expenses: Since the company is in losses there are no current tax expense. However the company has recognised deferred tax asset of ₹ 732.40 lakhs.

Profits

Our EBITDA stood at ₹ (2611.49) lakhs for the 9 months period ended December 31, 2022. We recorded PBT of ₹ (3470.51) lakhs. We recorded Net Loss of ₹ (2675.58) lakhs. Our Net Loss Margin stood at 52.70%.

Comparison of Financial Years ended March 31, 2022 and 2021

(₹ lakhs)

Particulars	31-Mar-22	31-Mar-21
Income		
Revenue from Operations	9107.72	7724.69
Increase/Decrease (%)	17.90%	
Other Income	90.91	73.55
Total Income	**9198.63**	**7798.24**
Increase/Decrease (%)	17.96%	
Expenditure		
Cost of Materials Consumed	**6293.45**	**4667.27**
Increase/Decrease (%)	34.84%	
% to Total Income	68.42%	59.85%
Purchase of Stock in Trade	**195.85**	**423.65**
Increase/Decrease (%)	-53.77%	
% to Total Income	2.13%	5.43%
Changes in Inventories of finished goods, stock-in-trade and work-in- progress	**-210.47**	**-333.58**
Increase/Decrease (%)	-36.91%	
% to Total Income	-2.29%	-4.28%
Employee Benefit Expenses	**1914.95**	**1436.83**
Increase/Decrease (%)	33.28%	
% to Total Income	20.82%	18.43%
Other Expenses	**2349.86**	**1478.43**
Increase/Decrease (%)	58.94%	
% to Total Income	25.55%	18.96%
Total Expenditure	**10543.64**	**7672.6**
Increase/Decrease (%)	37.42%	
% to Total Income	114.62%	98.39%
EBITDA	**-1345.01**	**125.64**
Increase/Decrease (%)	-1170.53%	
% to Total Income	-14.62%	1.61%
Depreciation, amortization and impairment	**735.07**	**714.33**
Increase/Decrease (%)	2.90%	
% to Total Income	7.99%	9.16%
Profit Before Interest and Tax	**-2080.08**	**-588.69**
Increase/Decrease (%)	253.34%	

% to Total Income	-22.61%	-7.55%
Interest & Financial Charges	**309.69**	**309.84**
Increase/Decrease (%)	-0.05%	
% to Total Income	3.37%	3.97%
Share of Loss of Associate	0.00	-0.80
Profit before Taxation	**-2,389.77**	**-899.33**
Increase/Decrease (%)	165.73%	
% to Total Income	-25.98%	-11.53%
Tax Effect	**-458.51**	**1038.22**
Increase/Decrease (%)	-144.16%	
% to Total Income	-4.98%	13.31%
Profit After Tax	**-1,931.26**	**-1,937.55**
Increase/Decrease (%)	-0.32%	
% to Total Income	-21.00%	-24.85%

Comparison of FY 2022 with FY 2021:

Revenue from operations

The Revenue from operations for the FY 2022 is ₹ 9107.22 lakhs as compared to ₹ 7724.69 lakhs during the FY 2021 showing increase of 17.90%. This increase was primarily due to increase sale of drugs from ₹ 7704.02 lakhs during FY 2021 to ₹ 9009.34 lakhs during FY 2022.

Other Income for the FY 2022 and FY 2021 was ₹90.91 lakhs and ₹73.55 lakhs respectively.

Hence the Total Income for the FY 2022 is ₹ 9186.63 lakhs as compared to ₹ 7798.24 lakhs during the FY 2021.

Expenditure:

Cost of Materials Consumed

Cost of materials consumed increased to ₹ 6293.45 lakhs for FY 2022 from ₹ 4667.27 lakhs for FY 2021. The Cost of materials consumed was 68.42% of total income during FY 2022 as against that of 59.85% during FY 2021.

Purchase of Stock in Trade

Purchase of Stock in Trade decreased to ₹ 195.85 lakhs for FY 2022 from ₹ 423.65 lakhs for FY 2021. The Purchase of Stock in Trade was 2.13% of total income during FY 2022 as against that of 5.43% during FY 2021.

Changes of Inventories

Changes of Inventories were ₹ (210.47) lakhs for FY 2022 and ₹ (333.58) lakhs for FY 2021. Changes of Inventories consists of difference between opening and closing stock of finished goods, traded goods and work in progress.

Employee Benefit Expenses

Employee Benefit Expenses increased from ₹ 1436.83 lakhs for the year ended March 31, 2021 to ₹ 1914.95 lakhs for FY 2022 showing an increase of 33.28%. This increase was mainly due to increase in staff salary and wages and staff welfare expenses. Employee Benefit Expenses stood at 18.43% and 20.82% of Total income for FY 2021 and FY 2022, respectively.

Other Expenses

Other Expenses increased to ₹ 2349.86 lakhs for FY 2022 from ₹ 1478.43 lakhs for FY 2021 showing an increase of 58.94%. The increase was mainly due to increase in manufacturing expenses, repairs, commission and brokerage, legal and professional, packaging charges, job work expense amongst others. Other Expenses was 25.55% of Total income during FY 2022 as against 18.96% during FY 2021.

Depreciation and amortisation

Depreciation and amortisation expenses increased from ₹ 714.33 lakhs for the year ended March 31, 2021 to ₹ 735.01 lakhs for FY 2022 showing an increase of 2.90%. Depreciation and amortisation expenses stood at 9.16% and 7.99% of Total income for FY 2021 and FY 2022, respectively.

Interest and Financial Charges

Interest and Financial Charges were ₹ 309.84 lakhs for the year ended March 31, 2021 and ₹ 309.69 lakhs for FY 2022. Interest and Financial Charges stood at 3.97% and 3.37% of Total income for FY 2021 and FY 2022, respectively.

EBITDA

EBITDA decreased from ₹ 125.64 lakhs for FY 2021 to ₹ (1345.01) lakhs for FY 2022. During FY 2022, our Company recorded EBITDA of -14.62% of the Total income as against 1.61% during FY 2021.

Profit after Tax

We incurred net loss of ₹ (1937.55) lakhs for the FY 2021 and ₹ (1931.26) lakhs in FY 2022. During FY 2022, our Company recorded PAT margin of -21.00% as against -24.85% for FY 2021.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. **Unusual or infrequent events or transactions**

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we saw a decline in our business during first half of Fiscal 2021.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in '*Factors Affecting our Results of Operations'* and the uncertainties described in the section entitled '*Risk Factors*' beginning on page **Error! Bookmark not defined.** of the Draft Letter of Offer. To our knowledge, except as we have described in the Draft Letter of Offer, there are no known factors which we expect to bring about significant economic changes.

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

Apart from the risks as disclosed under Section titled *"Risk Factors"* on page **Error! Bookmark not defined.** in the Draft Letter of Offer, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

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

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry please refer to "*Industry Overview*" on page 45.

6. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment.

7. The extent to which business is seasonal.

Our Company's business is not seasonal in nature.

8. Any significant dependence on a single or few suppliers or customers.

We are not dependent upon few suppliers or customers.

9. Competitive conditions.

Competitive conditions are as described under "*Industry Overview*" and "*Our Business*" on pages 45 and 51, respectively.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS OR FRADULENT BORROWERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by the RBI.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) action taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) outstanding claim involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (v) outstanding proceedings initiated against our Company for economic offences; (vi) defaults or non-payment of statutory dues by our Company; (vii) issues of moral turpitude or criminal liability on the part of our Company (viii) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations.

For the purpose of material litigation in (viii) above, our Board in its meeting held on August 12, 2019 has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Draft Letter of Offer:

(a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;

(b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- or 5% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;

(c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;

(d) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.

As on the date of this Draft Letter of Offer, our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of the Draft Letter of Offer. All information provided below is as of the date of the Draft Letter of Offer.

I. LITIGATION INVOLVING OUR COMPANY

Litigation filed against our Company

Criminal Proceedings against our Company :

1. A criminal case bearing registration no. 3205 of 2016 has been filed by the Drug Inspector, Food and Drug Administration, vide State of Maharashtra ("Complainant") before the Additional Chief Judicial Magistrate Nagpur ("Court") against our Company, Atul Ranchal, Ram Pratap Laxmi Chand, Davinder Kumari Ram Pratap, Sunita Kumari Rajesh Manmohanlal Mahajan, Saras Gupta, M. L. Mahajan, Manita Mahajan, Pradeep Kumar, Jitendra Pratap Singh and Dr. D.S. Maity ("Accused") under section 32 read with 18(a)(i) read with section 16 and 34, punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing and selling GoClav 625 Tablets manufactured in the month of

March 2015 allegedly 'of not standard quality' for the reasons that "The total Viable Count of Lactic Acid Bacillus is Less (18.33 % of the labelled amount) than the permissible limit." The matter is pending before the Court.

2. A criminal complaint bearing registration no. 4084 of 2016 has been filed by the Drug Inspector, Central Drugs Standard Control Organisation vide Union of India ("Complainant") before the Haridwar Chief Judicial Magistrate ("Court") against our Company, Atul Ranchal, Rajesh Mahajan, Durga Shankar Maity and Jitendra Pratap Singh ("Accused") under section 32 read with 18(a)(i) read with section 16 and 17(A), punishable under section 27(b)(i) and 27(d) of the Drugs and Cosmetics Act, 1940 for selling Polytaz 1.125 (Certriaxone & Tazobactum (for injection) manufactured in the month of July 2013 allegedly 'of not standard quality' for the reasons that the samples do not confirms to claim as per IP 2010 in respect to the "Particulate matter & Clarity of the solution". The matter is pending before the Court.

3. A summary criminal case bearing registration no. 4520/2009 has been filed by the Drug Inspector, Food and Drug Administration, MS Thane vide Union of India ("Complainant") before the Hon'ble Chief Judicial Magistrate, Thane Court, Thane ("Court") against our Company, Atul Ranchal, Rajesh Mahajan, Durga Shankar Maity, D. L. Vadher and Hitesh Patel ("Accused") under section 32 read with 18(a)(i) read with section 16(1)(a) and 34, punishable under section 27(d) of the Drugs and Cosmetics Act, 1940 for manufacturing and selling FORTICLAV DRY SYRUP (Amoxycillin and Potassium Clavulanate Oral Suspension IP: Batch No. FDS-8065, Manufacturing date June 1, 2008 Expiry Date November 30, 2009) allegedly 'of not standard quality' for the reasons that the samples do not confirms to claim as per IP 2007. The matter is pending before the Court.

Material violations of the statutory regulations by our Company

1. A penalty of Rs.3,55,000/- was imposed on our Company by BSE and NSE for non- compliance with Reg. 17(1)(a)/(b) (Composition of Board) of SEBI (Listing Obligation and Disclosure Requirement) 2015. Reg. 17(1)(a) – Half of the Board was not having non-executive directors from September 03,2021 to November 12, 2021 and Reg. 17(1)(b) – Half of the Board was not independent from September 03,2021 to November 12, 2021. The Board composition was rectified and penalty was paid by our company.

Criminal Proceedings by our Company

1. Our Company filed a criminal revision case bearing registration number 291/2018 filed against state government in the matter pending before the haridwar chief judicial Magistrate bearing case registration number 4084/2016 . The Revision filed is for discharge of directors under section 397 of the Code of Criminal Procedure, 1973. The matter is pending before the Court.

Economic offences where proceedings have been initiated against the issuer:

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or financial position of our Company.

1. Arbitration case bearing case number 73/2021 initiated by our Company against Odisha State Medical Corporation Limited for Challenging the Order of Odisha State Medical Corporation dated 07.04.2018 for forfeiting the Security Deposit & Performance Security amount of Rs. 70,14,000 approx. The place of arbitration is Cuttack - Odisa High Court. The matter is in arbitration.

2. Arbitration Proceedings number 32/2022 initiated by our company against Odisha State Medical Corporation Limited for Forfeited Security Deposit of Rs. 55 Lakhs of the Company. The place of arbitration is Cuttack - Odisa High Court. The matter is in arbitration.

TAX PROCEEDINGS

A summary of tax proceedings, in a consolidated manner, involving our Company, our Promoters, our Directors, or our Group Companies are stated below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax		
Assessment Year 2009-10	1	2.63
Assessment Year 2012-13	1	1,400.72
Assessment Year 2013-14	1	339.51
Assessment Year 2014-15	1	142.85
Assessment Year 2015-16	1	0.68
Assessment Year 2016-17	1	73.45
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS

Our Company has received a legal notice dated October 4, 2019 for and on behalf of M/s. D&A Financial Services Private Limited ("**DFSPL**") demanding payment of alleged dues aggregating to ₹33.49 Lakhs (along with interest @18% per annum) from our Company with regard to the alleged services provided by DFSPL pursuant to the engagement letter, underwriting agreement and syndicate agreement entered into between our Company and DFSPL in relation to the initial public offering made by our Company in the year 2011. Our Company has replied to the said notice dated October 4, 2019 of DFSPL *vide* its letter dated January 21, 2020 whereby our Company has called upon the advocate for DFSPL to withdraw the said legal notice within seven days from the receipt of our said reply in view of the averments made in our said reply dated January 21, 2020. There has been no further communication in this regards.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations (“Approvals”) for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the Manufacturing Facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards working capital and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by our Board pursuant to a resolution dated January 25, 2023, and by our Equity Shareholders pursuant to e-voting, the results of which were declared on March 04, 2023.

The Board of Directors in their meeting held on [●], 2023 have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived by our Board of Directors.

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

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "Terms of the Issue" on page 138.

Prohibition by SEBI or other Governmental Authorities

Other than as mentioned below, our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, except as stated above, there is no outstanding action initiated against our company or any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for this Issue

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

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

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

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

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

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;

2. The reports, statements and information referred to above are available on the website of BSE and NSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

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

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000.00 lakhs.

Disclaimer clauses from our Company

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

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

CAUTION

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

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

Disclaimer with respect to jurisdiction

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

Designated Stock Exchange

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

Disclaimer Clause of BSE

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

Disclaimer Clause of NSE

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

Listing

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

Consents

Consents in writing of our Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Except for the reports in the section on "Statement of Tax Benefits" on page **Error! Bookmark not defined.**, from the Statutory Auditors, our Company has not obtained any expert opinions.

Filing

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

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Tel No: + 91 810 811 4949
Email: brooks.rights2023@linkintime.co.in
Investor Grievance Email: brooks.rights2023@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
Contact Person: Sumeet Deshpande

Company Secretary and Compliance Officer

Jai Vaidya
201, The Sumit Business Bay,
Off. Andheri Kurla Rd,
Opp. Guru Nanak Petrol Pump,
Andheri East, Mumbai 400093,
Maharashtra, India
Tel: +91 22 6907 3100
E-mail: cs@brookslabs.net

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 143.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

(i) our Company at www.brookslabs.net.
(ii) the Registrar at www.linkintime.co.in.
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.brookslabs.net).

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see 'Making of an Application through the ASBA Process' beginning on page 140 of this Draft Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "*Grounds for Technical Rejection*" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* below.

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

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

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

i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
v. renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

Eligible Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

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

Do's for Shareholders applying through ASBA:

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

b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

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

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through *ASBA:*

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

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

(c) Do not send your physical Application to the the Registrar, the Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

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

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

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or Stock Exchanges. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

i. Name of our Company, being Brooks Laboratories Limited;
ii. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
iv. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
v. Number of Equity Shares held as on Record Date;
vi. Allotment option – only dematerialised form;
vii. Number of Equity Shares entitled to;
viii. Number of Equity Shares applied for within the Rights Entitlements;
ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
x. Total number of Equity Shares applied for;
xi. Total amount paid at the rate of ₹ [●] per Equity Share;
xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
xiii. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
xv. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

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

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in.

Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Acceptance of this Issue

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section 'Making of an Application by Eligible Equity Shareholders on plain paper under ASBA Process' on page 141.

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

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

c) The remaining procedure for Application shall be same as set out in "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" mentioned above.

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

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

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

b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

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

d. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three

parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

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

i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

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

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

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

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

r. Do not submit multiple Applications.

s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

• Grounds for Technical Rejection

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

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

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

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

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

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

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

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

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

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

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

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

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

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

(o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

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

(r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

• ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Procedure for Applications by Mutual Funds*" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

• ***Procedure for Applications by certain categories of Shareholders***

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

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

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

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

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "- *Basis of Allotment*" mentioned on page 157.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

• Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.linkintime.co.in) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.brookslabs.net).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights

Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.linkintime.co.in). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Draft Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

The Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

• ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.
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• ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

• ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Issue Equity Shares.
₹[●] per Issue Share (including premium of ₹[●] per Issue Share) shall be payable on Application.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

Since we are a BSE and NSE listed company. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

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

The Shareholders holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Equity Shares in the Issue.

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

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

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.

2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

- **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have ‘zero’ entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

• **Ranking**

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

• **Listing and trading of the Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 533543); NSE (BROOKS) under the ISIN: INE650L01011. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and members of the Promoter Group

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

• Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:
a. The right to receive dividend, if declared;
b. The right to receive surplus on liquidation;
c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
d. The right to free transferability of Equity Shares;
e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act,2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

• Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Issue Shares in dematerialised mode is one Equity Share.

• Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

• Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

• Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be 1 Equity Shares and hence, no arrangements for disposal of odd lots are required.

• Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Draft Letter of Offer will be provided, primarily through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation in Baddi, Himachal Pradesh, where our Registered Office is situated.

This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

• **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.linkintime.co.in. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“**OCBs**”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at www.linkintime.co.in.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	[●]
ISSUE CLOSING DATE*	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

**Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●], 2023 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, [●], 2023. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

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

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

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will issue/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company and our Directors who are officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;

b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;

e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges;

f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and

g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in

relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non- availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

XI. PAYMENT OF REFUND

• **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

• **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form.

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

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

• Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.

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

• The responsibility for correctness of information filled in the Application Form *vis-a- vis* such information with the Shareholders's depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the

Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders's depository participant.

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

• The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.

• Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.

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

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:
"Any person who
a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

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

iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

vi. Adequate arrangements shall be made to collect all ASBA Applications.

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

viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

ix. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

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

2) All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**Brooks Laboratories 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, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West), Mumbai - 400083, Maharashtra, India.
Tel No: + 91 810 811 4949
Email: brooks.rights2023@linkintime.co.in
Investor Grievance Email: brooks.rights2023@linkintime.co.in
Website: www.linkintime.co.in
SEBI Registration Number: INR000004058
Contact Person: Sumeet Deshpande

3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.linkintime.co.in. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is + 91 810 811 4949.

4) The Shareholders can visit www.linkintime.co.in for the below-mentioned purposes also:

i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.

ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.

iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.

iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the "Department of Industrial Policy and Promotion") ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Draft Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Agreement between Link Intime India Private Limited and our Company dated May 8, 2023 appointing them as the Registrar to the Issue.
2. Rights Issue Account Agreement dated [●] among our Company, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

1. Certificate of Incorporation of our Company dated January 23, 2002 issued by the Registrar of Companies.

2. Certificate of Commencement of Business dated February 19, 2002 issued by the Registrar of Companies.

3. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.

4. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.

5. Copy of the resolution passed at the meeting of the Board of Directors dated January 25, 2023 authorizing the Rights Issue.

6. Copy of the shareholders resolution passed pursuant to e-voting, the results of which were declared on March 04, 2023 authorising the Rights Issue.

7. Resolution passed by our Board dated [●], 2023 determining the Record Date.

8. Resolution of our Board dated [●], 2023, approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.

9. Consents of our Directors, Company Secretary, Compliance Officer, Statutory Auditors, legal counsel to the Issue, Bankers to our Company and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.

10. Annual Reports of our Company for Fiscals 2022, 2021, 2020 and the limited review report for the nine months period ended December 31, 2022.

11. Statement of Tax Benefits report by our statutory auditors dated April 26, 2023.

12. Deployment Certificate by our statutory auditors dated April 26, 2023.

13. In-principle approval dated [●], 2023 and [●], 2023 issued by BSE and NSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Letter of Offer are true and correct.

Signed by all the Directors of Brooks Laboratories Limited

Name and designation	Signature
Kaushalya Singh *Whole-time Director*	
Jitendra Pratap Singh *Whole-time Director*	
Manpreet Singh Naroo *Whole-time Director*	
Rajnish Kumar Bedi *Independent Director*	
Deepak Mahajan *Independent Director*	
Sonia Gupta *Independent Director*	

Signed by the – Chief Financial Officer

Prashant Rathi
Chief Financial Officer

Signed by the – Company Secretary

Jai Vaidya
Company Secretary & Compliance Officer

Place: Mumbai

Date: May 8, 2023