



# MANKIND PHARMA LIMITED

Our Company was incorporated on July 3, 1991, as a private limited company under the Companies Act, 1956, with the name "Mankind Pharma Private Limited", pursuant to a certificate of incorporation granted by the Registrar of Companies, Delhi and Haryana, at New Delhi ("RoC"). Pursuant to the conversion of our Company to a public limited company and as approved by our Shareholders pursuant to a special resolution dated July 14, 2005, the name of our Company was changed to "Mankind Pharma Limited" and the RoC issued a fresh certificate of incorporation on April 13, 2006. For details of changes in our name and the Registered Office, see "History and Certain Corporate Matters - Brief history of our Company" and "History and Certain Corporate Matters - Changes in the Registered Office" on page 245 of the red herring prospectus of our company dated April 14, 2023 filed with the RoC ("RHP").  
Registered Office: 208, Okhla Industrial Estate, Phase-III, New Delhi - 110 020, Delhi, India; Tel: +91 11 4747 6600; Corporate Office: 262, Okhla Industrial Estate, Phase-III, New Delhi - 110 020, Delhi, India; Tel: +91 11 4684 6700  
Contact Person: Pradeep Chugh, Company Secretary and Compliance Officer; Tel: +91 11 4684 6729; E-mail: investors@mankindpharma.com; Website: www.mankindpharma.com; Corporate Identity Number: U74899DL1991PLC044843



(Please scan this QR code to view the Red Herring Prospectus)

**OUR PROMOTERS: RAMESH JUNEJA, RAJEEV JUNEJA, SHEETAL ARORA, RAMESH JUNEJA FAMILY TRUST, RAJEEV JUNEJA FAMILY TRUST AND PREM SHEETAL FAMILY TRUST**

INITIAL PUBLIC OFFERING OF 40,058,844 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF MANKIND PHARMA LIMITED ("OUR COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE ("OFFER PRICE") AGGREGATING TO ₹ [●] MILLION, COMPRISING AN OFFER FOR SALE BY CERTAIN EXISTING SHAREHOLDERS (THE "OFFER FOR SALE" OR THE "OFFER").

| Name of Promoter Selling Shareholder | Number of Equity Shares offered | Weighted average cost of acquisition per Equity Share (In ₹) <sup>(1)</sup> | Name of Investor Selling Shareholder | Number of Equity Shares offered | Weighted average cost of acquisition per Equity Share (In ₹) <sup>(1)</sup> |
|--------------------------------------|---------------------------------|---|--------------------------------------|---------------------------------|---|
| Ramesh Juneja                        | Up to 3,705,443 Equity Shares   | Negligible  | Cairnhill CIPEF Limited              | Up to 17,405,559 Equity Shares  | 276.34  |
| Rajeev Juneja                        | Up to 3,505,149 Equity Shares   | Negligible  | Cairnhill CGPE Limited               | Up to 2,623,863 Equity Shares   | 276.34  |
| Sheetal Arora                        | Up to 2,804,119 Equity Shares   | Negligible  | Beige Limited                        | Up to 9,964,711 Equity Shares   | 550.44  |
|                                      |                                 |   | Link Investment Trust                | Up to 50,000 Equity Shares      | 550.44  |

<sup>(1)</sup> As certified by Ghosh Khanna & Co LLP, Chartered Accountants by way of their certificate dated April 14, 2023.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations  
QIB Portion: Not more than 50% of the Offer | Non-Institutional Portion: Not less than 15% of the Offer | Retail Portion: Not less than 35% of the Offer

**PRICE BAND: ₹1,026 TO ₹1,080 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH.**

**THE FLOOR PRICE IS 1026 TIMES AND THE CAP PRICE IS 1080 TIMES THE FACE VALUE OF THE EQUITY SHARES.**

**BIDS CAN BE MADE FOR A MINIMUM OF 13 EQUITY SHARES AND IN MULTIPLES OF 13 EQUITY SHARES THEREAFTER.**

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated April 18, 2023, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for the Offer Price' section of the RHP vis-a-vis the WACA of primary and secondary transaction(s), as applicable, disclosed in 'Basis for the Offer Price' section on pages 140-151 of the RHP.

## RISKS TO INVESTORS

- Dependence on Third Party Manufacturers:** We depend on third-party manufacturers for some of our finished formulations and approximately 25% of our total revenues were from products manufactured through third-party manufacturing arrangements for the past three financial years and nine months ended December 31, 2021 and December 31, 2022.
- Concentration Risk:** As of December 31, 2022, 18 of our 25 manufacturing facilities were located in Himachal Pradesh. We have two API manufacturing facilities located in Andhra Pradesh and Rajasthan, which are operated through our subsidiaries, JPR Labs Private Limited and Shree Jee Laboratory Private Limited.
- Raw Material Import Risk:** We depend on third-party suppliers for supply of certain raw materials and approximately 9% of our raw materials were directly imported during the nine months ended December 31, 2022, of which approximately 6% was directly imported from China.
- Financial Risk:** Our EBITDA margin, PAT margin and Return on Capital Employed (not annualized) has decreased from 28.30%, 20.81%, 25.08% during the nine months ended December 31, 2021, respectively, to 22.30%, 15.17% and 16.58% during the nine months ended December 31, 2022, respectively.
- Dependence on Domestic Market:** We are heavily focused on the Indian market and approximately 97% of our revenue from operations is from India for the past three Financial Years and nine months ended December 31, 2021 and December 31, 2022. Significant portion of our domestic sales is from certain therapeutic areas, such as anti-infectives, cardiovascular and gastrointestinal.
- Regulatory Risk:** We operate in a highly regulated industry and our operations include development, testing and research, which may lead to restrictions on marketing practices, compliance with product quality standards, manufacturing processes stipulated by regulators and price controls as levied on certain products by government.
- Weighted average cost of acquisition of all Equity Shares transacted in past one year and from one year to past three years preceding the date of the RHP:**

| Period                      | Weighted average cost of acquisition per Equity Share (in ₹) | Cap price is 'X' times the weighted average cost of acquisition | Range of acquisition price: Lowest Price - Highest Price (in ₹) |
|-----------------------------|--|---|---|
| Past 1 year                 | 977.18*  | 1.11  | 977.18 <sup>#</sup>   |
| From 1 year to Past 3 years | NIL  | NIL   | NIL   |

\*Cairnhill CIPEF Limited and Cairnhill CGPE Limited have transferred total 16,023,538 Equity Shares at price of ₹ 977.18 per Equity Share on April 6, 2023 to Hema CIPEF (I) Limited and Hema CGPE (I) Limited which at the time of entering into the share purchase agreement dated March 31, 2023 were affiliates of Cairnhill CIPEF Limited and Cairnhill CGPE Limited.

<sup>#</sup> Excluding transfer by way of gift as no consideration was paid.

**8. Weighted average cost of acquisition ("WACA") compared to Floor Price and Cap Price:**

| Past transactions  | WACA per Equity Share (in ₹) | Floor Price (i.e. ₹1,026) | Cap Price (i.e. ₹1,080) |
|--|------------------------------|---------------------------|-------------------------|
| WACA for primary /secondary issue during 18 months and WACA of primary issuance during 3 years prior to RHP, exceeding 5% of the pre-issue capital | NA                           | NA                        | NA                      |
| WACA of secondary transactions during 3 years prior to RHP, not exceeding 5% of the pre-issue capital  | 977.18                       | 1.05 times                | 1.11 times              |

**9. The five Book Running Lead Managers associated with the Offer have handled 84 public offers in the past three Financial Years, out of which 29 offers closed below the IPO price on the listing date.**

| Name of the BRLMs                       | Total public issues | Issues closed below IPO price on listing date |
|---|---------------------|---|
| Kotak Mahindra Capital Company Limited* | 17                  | 2   |
| Axis Capital Limited*                   | 19                  | 8   |
| IIFL Securities Limited*                | 23                  | 7   |
| Jefferies India Private Limited*        | 0                   | 0   |
| J. P. Morgan India Private Limited*     | 0                   | 0   |
| Common issues of above BRLMs            | 25                  | 12  |
| <b>Total</b>                            | <b>84</b>           | <b>29</b>                                     |

\*Issues handled where there were no common BRLMs



