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ENTERO HEALTHCARE SOLUTIONS LIMITED

Our Company was incorporated as "Entero Healthcare Solutions Private Limited" as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated January 10, 2018, issued by the Registrar of Companies, Central Registration Centre, under the administrative control of the Registrar of Companies, Delhi and Haryana at New Delhi. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the annual general meeting of our Shareholders held on August 7, 2023, and consequently, the name of our Company was changed to "Entero Healthcare Solutions Limited", and a fresh certificate of incorporation dated August 25, 2023, was issued by the RoC. For details of changes in the name and registered office address of our Company, see "History and Certain Corporate Matters" on page 209 of the Red Herring Prospectus dated February 5, 2024 ("RHP").
Registered Office: Plot No. I-35, Building - B, Industrial Area Phase - I, 13/7 Mathura Road, Faridabad 121 003, Haryana, India; Tel: 0129-4877300. Corporate Office: 605 & 606, 6th Floor, Trade Centre Bandra Kurla Complex, Bandra East, Mumbai 400 051 Maharashtra, India; Tel: +91 22 69019100; Contact Person: Jayant Prakash, Vice President - General Counsel, Company Secretary and Compliance Officer; E-mail: jayant.prakash@enterohealthcare.com; Website: www.enterohealthcare.com; Corporate Identity Number: U74999HR2018PLC072204



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

PROMOTERS OF OUR COMPANY: PRABHAT AGRAWAL, PREM SETHI, AND ORBIMED ASIA III MAURITIUS LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY") OF ENTERO HEALTHCARE SOLUTIONS LIMITED (OUR "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER"). THE OFFER COMPRISES OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹ 10,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 4,769,475 EQUITY SHARES (THE "OFFERED SHARES") AGGREGATING UP TO ₹ [●] MILLION (THE "OFFER FOR SALE"), AS PER THE DETAILS PROVIDED BELOW. THE OFFER WILL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

Sr. No.	Name of Selling Shareholder	Type	NUMBER OF EQUITY SHARES BEING OFFERED/ AMOUNT (IN ₹ MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)
1.	OrbiMed Asia III Mauritius Limited	Promoter Selling Shareholders	Up to 3,815,580 Equity Shares aggregating up to ₹[●] million	249.25
2.	Prabhat Agrawal	Promoter Selling Shareholders	Up to 470,210 Equity Shares aggregating up to ₹[●] million	12.05
3.	Prem Sethi	Promoter Selling Shareholders	Up to 313,472 Equity Shares aggregating up to ₹[●] million	12.28
4.	Novacare Drug Specialities Private Limited	Other Selling Shareholders	Up to 42,250 Equity Shares aggregating up to ₹[●] million	245.90
5.	K.E. Prakash	Other Selling Shareholders	Up to 39,610 Equity Shares aggregating up to ₹[●] million	240.53
6.	Petros Diamantides	Other Selling Shareholders	Up to 15,074 Equity Shares aggregating up to ₹[●] million	245.94
7.	Prashanth Ravindrakumar	Other Selling Shareholders	Up to 13,203 Equity Shares aggregating up to ₹[●] million	245.90
8.	Manoj K Sanghani	Other Selling Shareholders	Up to 12,103 Equity Shares aggregating up to ₹[●] million	245.90
9.	Vikramaditya Ambre	Other Selling Shareholders	Up to 12,103 Equity Shares aggregating up to ₹[●] million	245.90
10.	Hemant Jose Barros	Other Selling Shareholders	Up to 8,802 Equity Shares aggregating up to ₹[●] million	245.90
11.	Millennium Medicare Private Limited	Other Selling Shareholders	Up to 8,802 Equity Shares aggregating up to ₹[●] million	245.94
12.	Chethan M.P.	Other Selling Shareholders	Up to 4,401 Equity Shares aggregating up to ₹[●] million	238.69
13.	Hemant Jaggi	Other Selling Shareholders	Up to 4,401 Equity Shares aggregating up to ₹[●] million	245.90
14.	K.R.V.S. Varaprasad	Other Selling Shareholders	Up to 2,201 Equity Shares aggregating up to ₹[●] million	245.91
15.	K. Naveen Kumar Gupta	Other Selling Shareholders	Up to 2,201 Equity Shares aggregating up to ₹[●] million	245.94
16.	Deepesh T. Gala	Other Selling Shareholders	Up to 1,320 Equity Shares aggregating up to ₹[●] million	245.90
17.	Lavu Sahadev	Other Selling Shareholders	Up to 1,320 Equity Shares aggregating up to ₹[●] million	245.90
18.	Venkata Ramana Siva Kumar Yanamadala	Other Selling Shareholders	Up to 1,320 Equity Shares aggregating up to ₹[●] million	245.90
19.	Suraj Prakash Atreja	Other Selling Shareholders	Up to 1,102 Equity Shares aggregating up to ₹[●] million	245.92

Our primary line of business is in the distribution of healthcare products to retail pharmacies, hospitals and healthcare clinics in India.

The Issue is being made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations
QIB Portion: Not less than 75% of the Net Offer | Non-Institutional Portion: Not more than 15% of the Net Offer | Retail Portion: Not more than 10% of the Net Offer
Employee Reservation Portion: Up to [●] Equity Shares aggregating up to ₹ 80 Million

PRICE BAND: ₹ 1,195 TO ₹ 1,258 PER EQUITY SHARE OF FACE VALUE OF ₹10 EACH.

THE FLOOR PRICE AND THE CAP PRICE ARE 119.50 TIMES AND 125.80 TIMES THE FACE VALUE OF THE EQUITY SHARES RESPECTIVELY.

AS WE HAVE INCURRED LOSSES IN THE LAST THREE FISCALS PRICE TO EARNINGS IS NOT APPLICABLE.

BIDS CAN BE MADE FOR A MINIMUM OF 11 EQUITY SHARES AND IN MULTIPLES OF 11 EQUITY SHARES THEREAFTER.

A DISCOUNT OF ₹ 119 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated February 5, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the 'Basis for Offer Price' section of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in 'Basis for Offer Price' beginning on page 131 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the RHP and the terms of the Issue, including the risks involved and not rely on any other external sources of information about the Issue available in any manner.

RISKS TO INVESTORS

- We have experienced losses in the Financial Years 2021, 2022 and 2023, and the six months ended September 30, 2022.

Particulars	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
PAT (₹ in millions)	116.42	(108.57)	(111.04)	(294.39)	(153.54)
% of revenue from operations	0.61%	(0.69)%	(0.34)%	(1.17)%	(0.86)

Our Weighted Average Return on Net Worth for Fiscals 2023, 2022 & 2021 is (3.20)%

- We have experienced negative cash flows from operating, investing and financing activities in the past and may continue to do so in the future. Any negative cash outflows could have an adverse impact on our cash flow requirements, business operations and growth plans.

Net Cash Flows	For the six months ended September 30,		For the Financial Year		
	2023	2022	2023	2022	2021
	(₹ in millions)		(₹ in millions)		
Used in operating activities	(827.21)	(677.24)	(453.15)	(352.66)	(686.84)
Used in investing activities	(188.81)	(338.33)	(485.95)	(1,617.32)	(308.69)
From financing activities	1,270.91	946.74	727.64	2,111.92	887.13

- Our operations are subject to high working capital requirements, and have incurred substantial indebtedness. As of September 30, 2023, our working capital was ₹7,826.51 million. As on November 30, 2023, we had a total sanctioned limit of working capital facilities of ₹ 4,077.00 million. Our inability to maintain an

- optimal level of working capital or financing required may impact our operations and profitability adversely.
- We have pledged 100% of equity shares of 10 of our Subsidiaries in favor of certain lenders and if events of default arise under the financing agreements, such lenders could invoke the relevant share pledge agreements, adversely affecting our business, results of operations, cash flows and prospects.
- The Selling Shareholders will receive the entire proceeds from the Offer for Sale and Company will not receive any of such proceeds.
- The average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹12.05 to ₹249.25 per Equity Share, and the Offer Price at upper end of the Price Band is ₹1,258.00
- We may incur losses and our reputation may be adversely affected by the return of our products by customers, arising from the distribution of expired, unsafe, defective, ineffective or counterfeit products, and product spoilage, breakage and damage during transportation or in storage. We may also be subject to product liability claims.
- Since our inception, we have acquired 34 entities in the healthcare products distribution industry in India and may continue to complete more acquisitions in the future. However, we may be unable to realize the anticipated benefits of past or future acquisitions successfully. Further, if we are unable to implement our strategy of inorganic growth, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.
- The Price Band, Offer Price, market capitalization to total revenue, total assets and EBITDA/EV based on the Offer Price of our Company, may not be indicative of the market price of our Company

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on listing or thereafter. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations and comparison with our peers:

Year/Period	EV / EBITDA	Market capitalisation to total revenue	Market capitalisation to total assets
Our Company			
For the six months period ended September 30, 2023	108.31	2.88	3.63
For Fiscal 2023	90.64	1.66	4.18
Medplus Health Services Limited			
For the six months period ended September 30, 2023	61.38	3.26	3.01
For Fiscal 2023	35.59	1.92	3.16

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual reports/annual results as available of the respective company submitted to stock exchanges.

Notes:

- Market capitalization for industry peer has been computed based on the closing market price of equity shares on NSE on January 15, 2024 and Market capitalization for the Company has been computed as a product of proposed post issue number of equity shares of the Company (calculated at on the basis of Cap Price) and Cap Price
- Total Assets and Total Income = Total assets and Total Income (total Revenue) as disclosed in the respective financial statements.
- Enterprise Value (EV) = Market capitalisation plus net debt.
- Net debt = Long Term Borrowings + Short Term Borrowings + Long Term Lease Liabilities + Short Term Lease Liabilities – Cash and cash equivalents - Bank balances other than cash and cash equivalent
- EBITDA = EBITDA is calculated as revenue from operations reduced by purchase of stock-in-trade and changes in inventories of stock-in-trade, employee benefit expense and other expenses

10. We are subject to credit risk with respect to trade receivables. Set forth below are the details of our trade receivables, provision for expected credit loss and debtor days as of March 31, 2021, 2022 and 2023, and as of September 30, 2022 and 2023:

Particulars	As of September 30,		As of March 31,		
	2023	2022	2023	2022	2021
Trade receivables (Net of Provision) (₹ in millions)	6,304.88	4,771.89	5,148.84	3,745.99	2,421.52
Provision for expected credit loss (₹ in millions)	161.79	86.62	132.51	82.25	20.83
Debtor days (number)	54	49	51	49	44

11. The Weighted Average Cost of acquisition of all Equity Shares transacted in last three years and one year preceding the date of the RHP:

Type of Transactions	Weighted average cost of acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last 1 year	227.35	5.53	10.00 - 423.08
Last 3 years	202.75	6.20	10.00 - 423.08

12. Weighted average cost of acquisition, floor price and cap price

Type of Transactions	Weighted average cost of acquisition (₹ per share)	Floor Price (i.e. ₹ 1,195.00)	Cap Price (i.e. ₹ 1,258.00)
Weighted average cost of acquisition of Primary Issuances during 18 months prior to RHP	255.56	4.68 times	4.92 times

No secondary transactions during the last three years hence not applicable.

13. The 5 BRLMs associated with the Issue have handled 97 public issues in the past three Fiscals, out of which 26 issues have closed below the offer price on the listing date.

Name of the BRLM	Total Issues	Issues closed below IPO price on listing date
ICICI Securities Limited*	24	7
DAM Capital Advisors Limited*	3	1
Jefferies India Private Limited*	2	-
JM Financial Limited*	19	1
SBI Capital Markets Limited*	7	2
Common Issues of above BRLMs	42	15
Total	97	26

*Issues handled where there were no common BRLMs

ANCHOR INVESTOR BIDDING DATE : THURSDAY, FEBRUARY 8, 2024*

BID/OFFER PERIOD

BID/OFFER OPENS ON : FRIDAY, FEBRUARY 9, 2024

BID/OFFER CLOSING ON : TUESDAY, FEBRUARY 13, 2024**

* Our Company may, in consultation with the Book Running Lead Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date.

** The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day i.e., on February 13, 2024.

BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company, in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares offered in the Offer through the Book Building Process and on the basis of the qualitative and quantitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Offer Price is 119.50 times the face value at the lower end of the Price Band and 125.80 times the face value at the higher end of the Price Band.

Investors should also refer to the sections "Our Business", "Risk Factors", "Financial Information – Restated Consolidated Financial Information" and "Management Discussion and Analysis" on pages 180, 39, 272 and 429 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative Factors: Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are: • We operate in the large and highly fragmented Indian healthcare products distribution market and expect to benefit from market consolidation. • We are one of India's largest and fastest growing healthcare products distribution platforms. • We have a track record of inorganic expansion and integration to grow our geographic reach, revenues and scale. • We have a differentiated business model offering comprehensive and integrated commercial and supply chain solutions. • We have a proprietary technology platform with integrated business intelligence tools and solutions. • Our Company has a experienced, committed and qualified founding and professional management team with deep industry expertise and backed by healthcare focused investor.

Quantitative factors: Some of the information presented in this section relating to our Company is derived from the Restated Consolidated Financial Information. For details, see "Financial Information – Restated Consolidated Financial Information" beginning on page 279 of the RHP. Some of the quantitative factors, which may form the basis for computing the Offer Price, are as follows:

1. **Earnings Per Share ("EPS")** (as adjusted for changes in capital, if any) on a consolidated basis, calculated in accordance with the Indian Accounting Standard 33 issued by the ICAI

Period	As per Restated Consolidated Financial Information		Post CCPS Conversion		
	Basic EPS (in ₹)	Diluted EPS (in ₹)	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weightage
Six months ended September 30, 2023*	2.95	2.95	3.27	3.27	-
Six months ended September 30, 2022*	(3.04)	(3.04)	(3.37)	(3.37)	-
Financial Year ended March 31, 2023	(3.10)	(3.10)	(3.43)	(3.43)	3
Financial Year ended March 31, 2022	(9.22)	(9.22)	(10.23)	(10.23)	2
Financial Year ended March 31, 2021	(5.29)	(5.29)	(5.87)	(5.87)	1
Weighted Average	(5.50)	(5.50)	(6.10)	(6.10)	-

*Not annualised

Notes:

- Basic EPS = Net Profit / (Loss) after tax, as restated, for the year divided by weighted average number of equity shares outstanding during the year/period.
- Diluted EPS = Net Profit / (Loss) after tax, as restated, for the year divided by weighted average number of diluted equity shares and potential additional equity shares outstanding during the year/period.
- Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year divided by Total of weights
- Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with the notified Indian Accounting Standard 33 "Earnings per share".
- The figures disclosed above are based on the Restated Consolidated Financial Information of the Company.
- The face value of each Equity Share is ₹ 10 each

2. **Price Earning ("P/E") Ratio in relation to the Price Band of ₹ 1,195 to ₹ 1,258 per Equity Share**

Particulars	P/E ratio at the lower end of the Price Band (number of times)*	P/E ratio at the higher end of the Price Band (number of times)*
Based on Basic EPS for the financial year ended March 31, 2023	Not Applicable	Not Applicable
Based on Diluted EPS for the financial year ended March 31, 2023	Not Applicable	Not Applicable

*Will be populated in the Prospectus.

3. **Industry Peer Group P/E ratio**

Based on the peer group information (excluding our Company) given below in this section, The highest, lowest and average P/E ratio is 177.21 since we have only one listed industry peer.

Particulars	Industry Peer P/E	Name of the company	Face value of the equity shares (₹)
Highest	177.21	Medplus Health Services Limited	2.00
Lowest	177.21	Medplus Health Services Limited	2.00
Average	177.21	-	-

Notes:

- The industry high and low has been considered from the industry peer set provided later in this chapter. The highest, lowest and average P/E has been considered as same number since we have only one industry peer. For further details, see "Basis for Offer Price – 6. Comparison of Accounting Ratios with Listed Industry Peers" beginning on page 133 of the RHP.
- The industry P/E ratio mentioned above is computed based on the closing market price of equity shares on NSE on January 15, 2024 divided by the Diluted EPS as on for the financial year ended March 31, 2023.

4. **Average Return on Net Worth ("RoNW") on a consolidated basis**

Financial Year	RoNW as derived from the Restated Consolidated Financial Information (%)	Weightage
Six months ended September 30, 2023*	1.76%	-
Six months ended September 30, 2022*	(1.83%)	-
Financial Year ended March 31, 2023	(1.86%)	3
Financial Year ended March 31, 2022	(5.23%)	2
Financial Year ended March 31, 2021	(3.15%)	1
Weighted Average	(3.20%)	-

*Not annualised

Notes:

- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Return on Net Worth (%) = Net Profit / (Loss) after tax, as restated / Restated Net worth (Total Equity) at the end of the year/period.
- Net worth = Aggregate value of equity share capital, instruments entirely equity in nature, and other equity created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the Restated Consolidated Financial Information and non-controlling interest, but does not include reserves created out of revaluation of assets and write-back of depreciation.

5. **Net Asset Value ("NAV") per Equity Share**

Year Ended	NAV derived from the Restated Consolidated Financial Information (₹) ⁽¹⁾	NAV post CCPS conversion (₹) ⁽²⁾
As on September 30, 2023*	166.90	185.84
As on September 30, 2022*	156.90	174.00
As on March 31, 2023	157.08	174.21
As on March 31, 2022	155.42	171.95
As on March 31, 2021	165.17	183.16
After the completion of the Offer ⁽³⁾	At the Floor Price: 346.34 At the Cap Price: 349.39	At the Floor Price: 378.16 At the Cap Price: 381.80
Offer Price ⁽¹⁾	•	•

*Not annualised

(1) Offer Price per Equity Share will be determined on conclusion of the Book Building Process.

(2) Net asset value per share (in ₹) represents net asset value per equity share. It is calculated as net worth as of the end of the relevant year/period divided by the number of equity shares outstanding at the end of the respective year/period.

(3) Net worth = Aggregate value of equity share capital, instruments entirely equity in nature, and other equity created out of the profits, securities premium account, and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, derived from the Restated Consolidated Financial Information, and non-controlling interest but does not include reserves created out of revaluation of assets and write-back of depreciation. Net Asset Value is a Non-GAAP measure (see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures- EBITDA and Adjusted EBITDA" on page 460 of the RHP for the reconciliation of Net Asset Value calculated from the Restated Consolidated Financial Information)

⁽⁴⁾ Employee discount not considered in the calculations above

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BASIS FOR THE OFFER PRICE

6. Comparison of Accounting Ratios with Listed Industry Peers

Following is the comparison with our peer companies listed in India and in the same line of business as our Company:

Name of Company	Face Value (₹ Per Share)	Closing price on January 15, 2024 (₹)	Total Income, for Fiscal 2023 (in ₹ million)	EPS (₹)		NAV (₹ per share)	P/E	RoNW (%)
				Basic	Diluted			
Entero Healthcare Solutions Limited	10.00	NA	33,057.21	(3.43)	(3.43)	174.21	NA	(1.86)%
Peer Group								
MedPlus Health Services Limited	2.00	738.95	46,036.54	4.17	4.17	124.93	177.21	3.36%

Notes:

(a) Financial information for Company is derived from the Restated Consolidated Financial Information for the year ended March 31, 2023.

For listed peers:

(b) All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual reports/annual results as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges.

(c) P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 15, 2024, divided by the Diluted EPS.

(d) Return on Net Worth (RoNW) (%) = Net Profit / (Loss) after tax / Net worth (Total Equity) at the end of the year.

(e) Net asset value per share (in ₹) represents net asset value per equity share post conversion. It is calculated as net worth as of the end of the relevant year divided by the number of equity share outstanding at the end of the respective year.

7. Key Performance Indicators

The table below sets forth the details of certain key performance indicators ("KPIs") that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 21, 2024. The Audit Committee has further confirmed that the KPIs pertaining to the Company that have been disclosed to earlier investors at any point of time during the three years period prior to the date of filing of this Red Herring Prospectus have been disclosed in this section and have been verified and audited by N B T & Co, Chartered Accountants (Firm Registration Number: 140489W), holding a valid certificate issued by the peer review board of the ICAI. The KPIs disclosed below have been certified by N B T & Co, Chartered Accountants (Firm Registration Number: 140489W), pursuant to certificate dated January 21, 2024.

Our Company shall continue to disclose the KPIs disclosed in this section, on a periodic basis, at least once in a year (or for any lesser period as determined by our Company), for a duration that is at least the later of (i) one year after the listing date or period specified by SEBI; or (ii) till the utilization of the Net Proceeds. Any change in these KPIs, during the aforementioned period, will be explained by our Company. The ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

The list of our KPIs along with brief explanation of the relevance of the KPI for our business operations are set forth below:

Sr. No.	KPI	Explanation
Operational	Customers (Retail)	This metric helps us track the retail stores serviced over multiple periods and geography
	Customers (Hospital)	This metric helps us track the hospitals serviced over multiple periods - thereby align our business strategies accordingly
	SKUs handled	This metric helps us understand availability of multiple SKUs and lines of businesses
	Pharmaceutical and healthcare companies whose products have been billed	This metric helps us track the number of companies we serve and their product availability through our channel
	Districts covered	This metric helps us track our presence in terms of the number of districts we service across multiple periods
	Warehouses	Count of active warehouses
	Warehouse Area	This metric helps us track our storage capacities through better inventory management practices.
	Employees	This metric helps us analyse the company performance and growth via changes in headcount over multiple periods.
	Average Sales per Month per customer	This metric helps us analyse the trends in average sale to customers on a monthly basis over multiple periods.
	Financial	Revenue Growth
Gross Profit		This metric helps the company to track gross margin from various product categories over multiple periods.
Gross Profit Margin		This metric helps the company to track gross margin generated over multiple periods.
EBITDA		We believe that tracking EBITDA helps us identify underlying trends in our business and facilitates evaluation of year-on-year operating performance of our operations by eliminating items that are variable in nature and not considered by us in the evaluation of ongoing operating performance and allowing comparison of our recurring core business operating results over multiple periods.
EBITDA Margin		We believe that tracking EBITDA margin assists in tracking the margin profile of our business and in understanding areas of our business operations which have scope for improvement.
Financial	Unit EBITDA Margin	This ratio helps the company in measuring EBITDA from core operations of the business, excluding central costs.
	Restated Profit for the Year/Period	We believe that tracking profit after tax helps us track the overall profitability of our business after tax.
	Profit After Tax Margin	We believe that tracking PAT margin assists in tracking the margin profile of our business and allows comparison of results over multiple periods.
	Net Working Capital Days	This metric helps the Company to track cash conversion over multiple periods.
	Return on Capital Employed ("ROCE")	This ratio helps the company in measuring the operating returns generated from total capital employed in the business.
	Return on Equity ("ROE")	This ratio helps the company in measuring the returns generated from equity financing.

Details of KPIs as at for the six months ended September 30, 2023, and September 30, 2022, and the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021:

KPIs	Unit	Six months ended September 30, 2023	Six months ended September 30, 2022	Fiscal 2023	Fiscal 2022	Fiscal 2021
Operational						
Customers (Retail) ⁽¹⁾	(Number)	73,700+	65,000+	81,400+	64,200+	39,500+
Customers (Hospital) ⁽²⁾	(Number)	2,800+	2,400+	3,400+	2,500+	1,600+
SKUs handled ⁽³⁾	(Number)	63,900+	59,000+	64,500+	56,500+	44,400+
Pharmaceutical and healthcare companies whose products have been billed ⁽⁴⁾	(Number)	1,900+	1,700+	1,900+	1,700+	1,100+
Districts covered ⁽⁵⁾	(Number)	501	471	495	463	420
Warehouses ⁽⁶⁾	(Number)	77	71	74	60	44
Warehouse Area ⁽⁷⁾	(Square feet)	464,112	433,238	430,556	408,924	312,783
Employees ⁽⁸⁾	(Number)	3,181	3,018	3,041	2,875	2,141
Average Sales per Month per Customer ⁽⁹⁾	(₹)	37,532	36,889	30,143	29,213	32,801
Financial						
Revenue Growth ⁽¹⁰⁾	(%)	19.67%	NA	30.85%	41.71%	31.87%
Gross Profit ⁽¹¹⁾	(₹ in million)	1,691.57	1,286.76	2,683.42	2,096.28	1,415.97
Gross Profit Margin ⁽¹²⁾	(%)	8.92%	8.12%	8.13%	8.31%	7.96%
EBITDA ⁽¹³⁾	(₹ in million)	543.66	250.28	640.07	244.38	215.45
EBITDA Margin ⁽¹⁴⁾	(%)	2.87%	1.58%	1.94%	0.97%	1.21%
Unit EBITDA Margin ⁽¹⁵⁾	(%)	4.09%	3.78%	3.74%	3.72%	3.46%
Restated Profit for the Year/Period ⁽¹⁶⁾	(₹ in million)	116.42	(108.57)	(111.04)	(294.39)	(153.54)
Profit after Tax Margin ⁽¹⁷⁾	(%)	0.61%	(0.69)%	(0.34)%	(1.17)%	(0.86)%
Net Working Capital Days ⁽¹⁸⁾	(Number)	67	64	63	69	74
Return on Capital Employed ⁽¹⁹⁾	(%)	5.17% ⁽²¹⁾	2.13% ⁽²¹⁾	6.05%	1.49%	1.88%
Return on Equity ⁽²⁰⁾	(%)	2.54% ⁽²¹⁾	(2.61)% ⁽²¹⁾	(2.66)%	(7.35)%	(4.23)%

Notes:

1. Customers (Retail) refer to the number of "trade", "retail" or "healthcare practitioners" customers with one or more billed invoice during the period.

2. Customers (Hospital) refer to the number of "hospitals" or "nursing homes" customers with one or more billed invoice during the period.

3. SKUs handled refer to the number of unique SKUs that have been billed by us during the period. Examples of SKUs include pharmaceutical SKUs, fast moving consumer goods SKUs and surgicals/consumables SKUs.

4. Pharmaceutical and healthcare companies whose products have been billed refers to the number of pharmaceutical and healthcare companies whose products were billed by us during the period.

5. Districts refer to the number of districts where one or more customers have been billed during the period. Districts are mapped based on the pincode mentioned in the customer's address field.

6. Warehouses refer to the number of active warehouses (with a unique drug license) with one or more products billed from that warehouse.

7. Warehouse area refers to the total square footage of area across all our active warehouses.

8. Employees refer to the number of employees that are on our Company or our Subsidiaries' payroll as on the last date of the respective Fiscal period.

9. Average Sales per Month per customer refers to the Restated revenue from operations for the year or the six months period divided by 12 or 6 respectively, and total number of customers.

10. Revenue growth is calculated as growth in revenue for the relevant year/period as compared to the corresponding previous year/period.

11. Gross profit is calculated as revenue from operations reduced by purchase of stock-in-trade and changes in inventories of stock-in-trade.

12. Gross profit margin is calculated as gross profit divided by revenue from operations.

13. EBITDA is calculated as revenue from operations reduced by purchase of stock-in-trade and changes in inventories of stock-in-trade, employee benefit expense and other expenses.

14. Earnings before interest, taxes, depreciation and amortization (EBITDA) margin is calculated as EBITDA divided by revenue from operations.

15. Unit EBITDA Margin refers to the consolidated EBITDA % of individual standalone distributor entities.

16. Restated profit for the year/period is calculated as Total income reduced by Total expenses and Total tax expenses.

17. Profit after tax margin is calculated as restated profit after tax divided by total income.

18. Net working capital days is calculated by net working capital (which is calculated as current asset (excluding cash/bank or cash equivalents) reduced by current liabilities (excluding short term borrowings) represented in days sales (grossed up for taxes) during the period. The net working capital days for the six months ended September 30, 2023 and September 30, 2022 are annualized figures.

19. ROCE is calculated as EBIT (which represents the sum of profit before tax and interest expenses) divided by average capital employed (calculated as the sum of opening capital employed and closing capital employed, and then divided by two) during the period. Capital employed is calculated as the sum of tangible net worth, borrowings and deferred tax liability. Tangible net worth is the sum of total equity (including non-controlling interest) reduced by goodwill, other intangible assets and intangible assets under development.

20. ROE is calculated as restated profit after tax divided by average tangible net worth. Tangible net worth is the sum of total equity (including Non-controlling interest) reduced by goodwill, other intangible assets and intangible assets under development. Average tangible net worth is calculated as the sum of opening tangible net worth and closing tangible net worth and then divided by two.

21. Not annualised

Above mentioned KPIs includes details of acquisitions or/and dispositions made by the Company during the six months ended September 30, 2023, and September 30, 2022, and the financial years ending March 31, 2023, 2022 and 2021, details of which are mentioned below:

Year of Acquisition	Number of Acquisitions	Sale of goods during the six months ended September 30, 2023 (₹ million)	Sale of goods during the six months ended September 30, 2022 (₹ million)	Sale of goods during the Financial Year 2023 (₹ million)	Sale of goods during the Financial Year 2022 (₹ million)	Sale of goods during the Financial Year 2021 (₹ million)
Six months ended September 30, 2023	1	39.76	-	836.24	-	-
Six months ended September 30, 2022	3	818.74	248.72	836.24	-	-
Financial Year 2022-2023	3	818.74	248.72	836.24	-	-
Financial Year 2021-2022	8	3,464.56	2,581.28	5,304.21	1,416.26	-
Financial Year 2020-2021	3	303.14	223.30	475.77	325.11	212.28

For details of our other operating metrics disclosed elsewhere in this Red Herring Prospectus, see "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 180 and 429, of the RHP, respectively.

8. Comparison of KPIs with listed industry peers:

Key Performance Indicators	As at and for Fiscal 2023	
	Entero Healthcare Solutions Limited ⁽¹⁾	Medplus Health Services Limited ⁽²⁾
Customers (Retail) ⁽³⁾	81,400+ ⁽⁴⁾	NA
Customers (Hospital) ⁽⁵⁾	3400+	NA
SKUs handled	64,500+	44,000+
Pharmaceutical and Healthcare Companies whose products have been billed ⁽⁶⁾	1900+	NA
Districts covered ⁽⁷⁾	495	NA
Warehouses	74	10
Warehouse Area ⁽⁸⁾	430,556	NA
Employee	3,041	22,000

Key Performance Indicators	As at and for Fiscal 2023	
	Entero Healthcare Solutions Limited ⁽¹⁾	Medplus Health Services Limited ⁽²⁾
Average Sales per Month per Customer ⁽⁹⁾	30,143	NA
Revenue growth (%) ⁽¹⁰⁾	30.85%	20.81%
Gross Profit (in ₹ million) ⁽¹¹⁾	2,683.42	10,459.66
Gross Profit Margin (%) ⁽¹²⁾	8.13%	22.72%
EBITDA (in ₹ million) ⁽¹³⁾	640.07	3,117.46(20)
EBITDA Margin (%) ⁽¹⁴⁾	1.94%	6.77%
Unit EBITDA Margin (%) ⁽¹⁵⁾	3.74%	NA
Profit after tax (in ₹ million)	(111.04)	501.05
Profit after Tax Margin (%) ⁽¹⁶⁾	(0.34)%	1.09%
Net Working Capital (NWC) Days ⁽¹⁷⁾	70*	73
Return on Capital Employed (%) ⁽¹⁸⁾	6.05%	9.16%
Return on Equity (%) ⁽¹⁹⁾	(2.66)%	3.56%

*Working capital days provided above are at net level, working capital days grossed up for GST taxes for Entero Healthcare Solutions Ltd. is 63 days for fiscal 2023. Same value for peers cannot be calculated as exact data for peers regarding the same is not available

1. Financial data as per Restated Consolidated Financial Information

2. Operational data as of fiscal 2023 on consolidated basis; financial data as per quarterly financials, since data is updated as per quarterly reports for fiscal 2023 and detailed schedules are not available, there is no classification of other income available hence it is considered as part of operating income; as of September 1, 2023, annual report for Medplus Health Services Limited is not available in the public domain.

3. Customers (Retail) refer to the number of "trade", "retail" or "healthcare practitioners" customers with one or more billed invoice during the period.

4. Includes physicians as customers.

5. Customers (Hospital) refer to the number of "hospitals" or "nursing homes" customers with one or more billed invoice during the period.

6. Pharmaceutical and healthcare companies whose products have been billed refers to the number of pharmaceutical and healthcare companies with products billed during the period.

7. Districts refer to the number of districts where one or more customers have been billed during the period. Districts are mapped based on the pincode mentioned in the customer's address field.

8. Warehouse area refers to the total square footage of area across all our active warehouses.

9. Average Sales per Month per Customer refers to the Restated Revenue from Operations for the year divided by 12 and the total number of customers

10. Revenue Growth refers to year-on-year growth. Revenue growth is calculated as the growth in revenue for the relevant year as compared to the corresponding previous year.

11. Gross Profit is calculated as Revenue from Operations reduced by Purchase of Stock-in-Trade and Changes in Inventories of Stock-in-Trade.

12. Gross Profit Margin is calculated as Gross Profit divided by Revenue from Operations

13. EBITDA is calculated as Revenue from Operations reduced by Purchase of Stock-in-Trade and Changes in Inventories of Stock-in-Trade, Employee Benefit Expense and Other Expenses

14. EBITDA Margin is calculated as EBITDA divided by Revenue from Operations.

15. Unit EBITDA margin refers to the consolidated EBITDA % of individual standalone distributor entities.

16. Profit After Tax Margin is calculated as Restated Profit after Tax divided by Total Income

17. NWC (Net working capital) days = Debtors days + inventory days - payable days

18. Return on Capital Employed (ROCE) is calculated as EBIT (which represents the sum of profit before tax and interest expenses) divided by average capital employed (calculated as the sum of opening capital employed and closing capital employed, and then divided by two) during the period. Capital employed is calculated as the sum of tangible net worth, borrowings and deferred tax liability. Tangible net worth is the sum of total equity (including non-controlling interest) reduced by goodwill, other intangible assets and intangible assets under development.

19. Return on Equity (ROE) is calculated as restated profit after tax divided by Average Tangible Net Worth. Tangible net worth is the sum of total equity (including non-controlling interest) reduced by goodwill, other intangible assets and intangible assets under development. Average tangible net worth is calculated as the sum of opening tangible net worth and closing tangible net worth and then divided by two.

20. EBITDA calculation is done considering other income as part of Operating income

9. Price per share, floor price and cap price

a) Price per share of the Company (as adjusted for corporate actions, including split, bonus issuances) based on primary issuances of Equity Shares or convertible securities (excluding Equity Shares issued under the ESOP Plans and issuance of Equity Shares pursuant to a bonus issue) during the 18 months preceding the date of the Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Primary Issuances")

Name of Allottee	Date of Allotment	Nature of Allotment	Nature of Specified Security	Issue Price per Specified Security (in ₹)	Transaction as a % of the fully diluted paid up capital of our Company	Number of specified securities allotted
Prabhat Agrawal and certain other allottees	September 12, 2022	Right Issue	Equity Shares	10.00	6.79%	2,61,327
OrbiMed Asia III Mauritius Limited and certain other allottees disclosed in the section titled "Capital Structure - History of Equity Share Capital of our Company" on pages 95 to 104 of the RHP	July 12, 2023	Conversion of CCPS into Equity Shares	Equity Shares	10.00	290.78%	11,955,359
OrbiMed Asia III Mauritius Limited	January 27, 2024	Conversion of CCPS A1 Series into Equity Shares	Equity Shares	423.07	68.18%	1,09,54,617
Tushar Kumar (For IM Investments Trust) and certain other allottees	January 27, 2024	Conversion of CCPS A2 Series into Equity Shares	Equity Shares	423.08	23.28%	37,40,532
Prem Sethi and certain other allottees	January 27, 2024	Conversion of CCPS A3 Series into Equity Shares	Equity Shares	10.70	18.02%	28,94,741
Petros Diamantides and certain other allottees	January 27, 2024	Conversion of CCPS A4 Series into Equity Shares	Equity Shares	412.61	4.05%	6,50,771
OrbiMed Asia III Mauritius Limited and certain other allottees	January 27, 2024	Conversion of CCPS A5 Series into Equity Shares	Equity Shares	412.61	7.69%	12,35,651
Weighted average cost of acquisition (WACA) (primary issuances) (₹ per Equity Share)				255.56		

*Issue price has been considered as amount paid at the time of CCPS acquisition divided by the number of equity shares allotted pursuant to conversion of CCPS.

b) Price per share of the Company (as adjusted for corporate actions, including bonus issuances) based on secondary sale or acquisition of equity shares or convertible securities (excluding gifts) where Promoters or members of the Promoter Group or Selling Shareholders or other shareholders with rights to nominate directors are a party to the transaction during the 18 months preceding the date of filing of this Red Herring Prospectus, where the acquisition or sale is equal to or more than 5% of the fully diluted paid-up share capital of our Company (calculated based on the pre-Offer capital before such transaction's and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days ("Secondary Transactions")

Not applicable

Since there are eligible transactions to report to under (a) and (b), the details of the price per share of the Company, based on the last five primary or secondary transactions (secondary transactions where the Promoters or members of the Promoter Group or shareholders having a right to nominate directors to the Board are a party to the transaction, excluding gifts), not older than three years prior to the date of this Red Herring Prospectus has not been computed.

For further details in relation to the share capital history of our Company, see "Capital Structure" on page 93 of the RHP.

10. Floor Price and Cap Price as compared to the weighted average cost of acquisition based on past allotment(s) / secondary transactions as set out below:

Past Transactions	Weighted average cost of acquisition of Specified Securities (₹)*	Floor Price (₹1,195.00)	Cap Price (₹1,258.00)
Issuance of Equity Shares or convertible securities during the 18 months preceding the date of this Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up Equity Share capital of our Company (calculated based on the pre-issue capital before such transactions and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	255.56	4.68 times	4.92 times
secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoter, members of the Promoter Group, Selling Shareholders, or Shareholders having the right to nominate Directors on our Board are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction's and excluding ESOPs granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days	Not applicable	Not Applicable	Not Applicable

*To be updated at Prospectus stage

11. Justification for Basis for Offer price

Detailed explanation for Cap Price being 4.92 times of WACA of past five primary issuances /secondary transactions of Equity Shares (as disclosed above) along with our Company's KPIs and financial ratios for the six months ended September 30, 2023, September 30, 2022, and the Fiscals 2023, 2022 and 2021 and in view of the external factors which may have influenced the pricing of the issue, is as follows:

1. We are amongst the top three healthcare products distributors in India in terms of revenue in Financial Year 2022, and reported an operating income of ₹25,220.65 million in Financial Year 2022 (Source: CRISIL Report).

2. We have achieved the fastest scale-up of operations among healthcare products distributors in India (between Financial Year 2019 to Financial Year 2022), and reached ₹25,000 million of operating income within four years of operations (Source: CRISIL Report).

3. We add value to the healthcare product manufacturers that work with us by providing them reach and accessibility to pharmacies, hospitals and clinics through our integrated and technology driven, pan-India healthcare products distribution platform.

4. We also provide a diverse spectrum of healthcare products, including pharmaceutical products, nutraceuticals, medical devices, surgical consumables, over-the-counter medicines and vaccines, which enables us to become a one stop shop for our customer's healthcare product needs. Accordingly, we aim to provide high fill rates to our customers, which in turn enables them to provide high fill rates to end consumers. We also aim to provide low turnaround time to our customers. Our scale of operations allows us to procure products at competitive prices and have a wide product range with adequate inventory levels.

5. We leverage technology to provide a positive buying experience through our digital solutions such as the Entero Direct B2B application ("Entero Direct"), where customers have real-time visibility of our product range, pricing, inventory levels, order status, outstanding balances, promotional offers. Entero Direct can be used for order management 24 hours a day, seven days a week.

6. For the Financial Years 2021, 2022 and 2023, the six months ended 30 September 2022 and the six months ended September 30, 2023; our revenue from operations was ₹17,797.37 million, ₹25,220.65 million and ₹33,002.07, ₹15,839.68 and ₹18,955.01 million respectively.

7. For the Financial Years 2021, 20

...continued from previous page.

ASBA # Simple, Safe, Smart way of Application!!!

Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, For further details, check section on ASBA.

Mandatory in public issues. No cheque will be accepted.



UPI-Now available in ASBA for Retail Individual Investors and Non - Institutional Investor applying for amount upto ₹ 5,00,000/-, applying through Registered Brokers, DPs and RTAs. UPI Bidder also have the option to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the bank account used for bidding is linked to their PAN. Bidders must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020, issued by the Central Board of Direct Taxes and the subsequent press releases, including press releases dated June 25, 2021 and September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

ASBA has to be availed by all the investors except anchor investors. UPI may be availed by UPI Bidders. For details on the ASBA and UPI process, please refer to the details given in ASBA form and abridged prospectus and also please refer to the section "Offer Procedure" on page 514 of the RHP. The process is also available on the website of Association of Investment Bankers of India ("AIBI") and Stock Exchanges and in the General Information Document. ASBA bid-cum-application forms can be downloaded from the websites of the Stock Exchanges and can be obtained from the list of banks that is displayed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=35 and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmid=43>, respectively as updated from time to time. For the list of UPI apps and banks live on IPO, please refer to the link www.sebi.gov.in. RBIS Bidding using the UPI mechanism may apply through the SCSBs and mobile applications whose names appear on the website of SEBI, as updated from time to time. HDFC Bank Limited and Axis Bank Limited have been appointed as Sponsor Banks for the Issue, in accordance with the requirements of the SEBI Circular dated November 1, 2018 as amended. For Issue related queries, please contact the BRLMs on their respective email IDs as mentioned below. For UPI related queries, investors can contact NPCI at the toll free number: 18001201740 and mail id: ipo.upi@npci.org.in.

THE EQUITY SHARES OF OUR COMPANY WILL GET LISTED ON MAIN BOARD PLATFORM OF BSE AND NSE

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Members of the Syndicate and by intimation to Designated Intermediaries and Sponsor Banks, as required under the SEBI ICDR Regulations.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer shall be allocated on a proportionate basis to the Qualified Institutional Buyers ("QIBs") ("QIB Portion"), provided that our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which at least one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion (excluding the Anchor Investor Portion) ("Net QIB Portion"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not more than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors of which (a) one-third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (c) one-third of such portion shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders and not more than 10% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allotted on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price (net of Employee Discount, if any). All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID (in case of UPI Bidders) if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank(s) under the UPI Mechanism, as applicable, to the extent of the respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "Offer Procedure" beginning on page 514 of the RHP.

Bidders/ Applicants should ensure that DP ID, PAN, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) are correctly filled in the Bid cum Application Form. The DP ID, PAN and Client ID provided in the Bid cum Application Form should match with the DP ID, PAN, Client ID available in the Depository database, otherwise, the Bid cum Application Form is liable to be rejected. Bidders/ Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active. Bidders/Applicants should note that on the basis of the PAN, DP ID, Client ID and UPI ID (for UPI Bidders bidding through the UPI Mechanism) as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving Allotment Advice or unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders/Applicants are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders'/Applicants' sole risk. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February

13, 2020 and press release dated June 25, 2021, read with press release dated September 17, 2021 and CBDT circular no.7 of 2022, dated March 30, 2022 read with press release dated March 28, 2023 and any subsequent press releases in this regard.

Contents of the Memorandum of Association of our Company as regards its objects: For information on the main objects of our Company, please see the section "History and Certain Corporate Matters" on page 209 of the RHP. The Memorandum of Association of our Company is a material document for inspection in relation to the Issue. For further details, please see the section titled "Material Contracts and Documents for Inspection" on page 555 of the RHP.

Liability of the members of our Company: Limited by shares

Amount of share capital of our Company and Capital structure: As on the date of the RHP, the authorised share capital of the Company is ₹ 9,743,500,000 divided into 74,570,000 Equity Shares of face value ₹ 10 each and 565,847,000 Series A1 CCPS, 193,564,100 Series A2 CCPS, 3,996,900 Series A3 CCPS, 36,372,000 Series A4 CCPS and 100,000,000 Series A5 CCPS, of face value of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 355,431,980 divided into 35,543,198 Equity Shares of face value ₹ 10 each. For details, please see the section titled "Capital Structure" on page 93 of the RHP.

Names of signatories to the Memorandum of Association of our Company and the number of Equity Shares subscribed by them: The initial signatories to the Memorandum of Association of our Company are Prabhat Agrawal and Prem Sethi. For details of the share capital history and capital structure of our Company, please see the section titled "Capital Structure" on page 93 of the RHP.

Listing: The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on BSE and NSE. Our Company has received in-principle approvals from BSE and NSE for listing of the Equity Shares pursuant to their letters each dated November 8, 2023. For the purposes of this Offer, BSE shall be the Designated Stock Exchange. A signed copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus up to the Bid/Offer Closing Date, see "Material Contracts and Documents for Inspection" on page 555 of the RHP.

Disclaimer Clause of the Securities and Exchange Board of India ("SEBI"): SEBI only gives its observations on the offer documents and this does not constitute approval of either the Offer or the specified securities or the offer document. The investors are advised to refer to page 490 of the RHP for the full text of the disclaimer clause of SEBI.

Disclaimer Clause of NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the Offer Document. The investors are advised to refer to page 492 of the RHP for the full text of the disclaimer clause of NSE.

Disclaimer Clause of BSE (Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE Limited should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by BSE Limited nor does it certify the correctness or completeness of any of the contents of the Red Herring Prospectus. The investors are advised to refer to page 492 of the Red Herring Prospectus for the full text of the disclaimer clause of BSE Limited.

General Risk: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and this Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 39 of the RHP.

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

COMPANY SECRETARY AND COMPLIANCE OFFICER

						Jayant Prakash Vice President - General Counsel, Company Secretary and Compliance Officer Tel: +91 22-69019100 Email: jayant.prakash@enterohealthcare.com
ICICI Securities Limited ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025 Tel: +91 22 6807 7100 Email: entero ipo@icicisecurities.com Investor grievance email: customer care@icicisecurities.com Website: www.icicisecurities.com Contact person: Shekher Asnani / Gaurav Mittal SEBI registration no: INM000011179	DAM Capital Advisors Limited One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra, India Tel: +91 22 4202 2500 E-mail: entero ipo@damcapital.in Investor grievance e-mail: complaint@damcapital.in Website: www.damcapital.in Contact Person: Arpi Ohdeda SEBI Registration: MB/INM000011336	Jefferies India Private Limited 16th Floor, Express Towers, Nariman Point, Mumbai 400 021 Maharashtra, India Tel: +91 22 4356 6000 E-mail: Enterohealthcare.IPO@jefferies.com Investor grievance e-mail: ijpl.grievance@jefferies.com Website: www.jefferies.com Contact Person: Suhani Bhareja SEBI Registration: INM000011443	JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg Prabhadevi, Mumbai 400 025 Maharashtra, India Tel: +91 22 6630 3030 E-mail: entero ipo@jmfi.com Investor Grievance E-Mail: grievance.id@jmfi.com Website: www.jmfi.com Contact person: Prachee Dhuri SEBI Registration No.: INM000010361	SBI Capital Markets Limited Unit No. 1501, 15th floor, A & B Wing, Parinee Crescenzo Building, Plot C- 38, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051, Maharashtra. Tel: +91 22 4006 9807 E-mail: entero ipo@sbicaps.com Investor Grievance E-Mail: investor.relations@sbicaps.com Website: www.sbicaps.com Contact person: Aditya Deshpande SEBI Registration No.: INM000003531	Link Intime India Private Limited C-101, 1st floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India Tel: +91 8108114949 E-mail: enterohealthcare ipo@linkintime.co.in Investor grievance e-mail: enterohealthcare ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI Registration No.: INR000004058	Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-issue or post-issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all issue related queries and for redressal of complaints, Investors may also write to the BRLMs.

AVAILABILITY OF THE RHP: Investors are advised to refer to the RHP and the section titled "Risk Factors" on page 39 of the RHP, before applying in the Issue. A copy of the RHP shall be available on website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, and the website of the Company at www.enterohealthcare.com and the websites of the BRLMs, i.e. ICICI Securities Limited, DAM Capital Advisors Limited, Jefferies India Private Limited, JM Financial Limited and SBI Capital Markets Limited at www.icicisecurities.com, www.damcapital.in, www.jefferies.com, www.jmfi.com and www.sbicaps.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid cum Application Forms can be obtained from the Registered Office of ENTERO HEALTHCARE SOLUTIONS LIMITED, Tel: 0129-4877300; BRLMs : ICICI Securities Limited, Tel: +91 22 6807 7100; DAM Capital Advisors Limited, Tel: +91 22 4202 2500; Jefferies India Private Limited, Tel: +91 22 4356 6000; JM Financial Limited, Tel: +91 22 6630 3030 and SBI Capital Markets Limited, Tel: +91 22 4006 9807; Syndicate Members: SBICAP Securities Limited, Tel: 91 22 69316204; Investec Capital Services (India) Private Limited, Tel: +91 22 6849 7400; Sharekhan Limited, Tel: +91 22 6750 2000; JM Financial Services Limited, Tel: +91 22 6136 3400 and at the select locations of the Sub-syndicate Members (as given below), SCSBs, Registered Brokers, RTAs and CDPs participating in the Issue. ASBA Forms will also be available on the websites of BSE and NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

Sub-Syndicate Members: Almondz Global Securities Limited, Anand Rathi Share & Stock Brokers Limited, Axis Capital Limited, Centrum Broking Limited, Choice Equity Broking Private Limited, DB(International) Stock Brokers Limited, Eureka Stock & Share Broking Services Limited, Globe Capital Markets Limited, HDFC Securities Limited, IDBI Capital Markets & Securities Limited, JM Financial Services Limited, Jobanputra Fiscal Services Private Limited, Keynote Capitals Limited, KJMC Capital Market Services Limited, Kotak Securities Limited, LKP Securities Limited, Inventure Growth & Securities Limited, Motilal Oswal Financial Services Limited, Nirmal Bang Securities Private Limited, Nuvama Wealth and Investment Limited (Edelweiss Broking Limited), Prabhudas Ladhani Private Limited, Pravin Ratilal Share and Stock Brokers Limited, Religare Broking Limited, RR Equity Brokers Private Limited, SMC Global Securities Limited, Standard Chartered Securities Limited, Systematix Shares and Stocks (India) Limited, Trade Bulls Securities (P) Limited and Yes Securities (India) Limited.

Escrow Collection Bank and Refund Bank : Axis Bank Limited

Public Issue Account Bank : HDFC Bank Limited • **Sponsor Banks:** HDFC Bank Limited and Axis Bank Limited.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For ENTERO HEALTHCARE SOLUTIONS LIMITED

On behalf of the Board of Directors

Sd/-

Jayant Prakash

Vice President - General Counsel, Company Secretary and Compliance Officer

Place: Mumbai
Date: February 5, 2024

ENTERO HEALTHCARE SOLUTIONS LIMITED is proposing, subject to applicable statutory and regulatory requirements, the receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP dated February 5, 2024 with the RoC and thereafter with the Stock Exchanges. The RHP is available on the website of SEBI at www.sebi.gov.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively, the website of the Company at www.enterohealthcare.com and the websites of the BRLMs, i.e. ICICI Securities Limited, DAM Capital Advisors Limited, Jefferies India Private Limited, JM Financial Limited and SBI Capital Markets Limited at www.icicisecurities.com, www.damcapital.in, www.jefferies.com, www.jmfi.com and www.sbicaps.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, please see the section titled "Risk Factors" on page 39 of the RHP. Potential investors should not rely on the DRHP filed with SEBI for making any investment decision.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("U.S. Securities Act"), or any state law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) under Section 4(a) of the U.S. Securities Act, and (ii) outside the United States in "offshore transactions" as defined in and in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. There will be no public offering of the Equity Shares in the United States.