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DRAFT RED HERRING PROSPECTUS
Dated August 12, 2022
(Please read Section 32 of the Companies Act, 2013)
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

CONCORD BIOTECH
Biotech for Mankind...

CONCORD BIOTECH LIMITED

Corporate Identity Number: U24230GJ1984PLC007440

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
1482-86, Trasad Road Dholka, Ahmedabad – 382225, Gujarat, India	16th floor, B-Wing, Mondeal Heights, Iscon Cross Road, S.G. Highway, Ahmedabad – 380015, Gujarat, India	Prakash Sajnani (*Company Secretary and Compliance Officer*)	Email: complianceofficer@concordbiotech.com Telephone: 079-6813 8700	www.concordbiotech.com

THE PROMOTERS OF OUR COMPANY ARE SUDHIR VAID AND ANKUR VAID

DETAILS OF OFFER TO PUBLIC, PROMOTERS/ SELLING SHAREHOLDERS

Type	Fresh Issue Size	Size of the Offer for Sale	Total Offer Size	Eligibility and Reservations
Offer for Sale	Not applicable	Up to 20,925,652 Equity Shares	Up to ₹ [●] million	This Offer is being made in terms of Regulation 6(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"). For details in relation to reservation, see "*Offer Structure*" on page 302.

DETAILS OF THE SELLING SHAREHOLDER(S), OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION

NAME OF THE SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)^
Helix Investment Holdings Pte. Limited	Other Selling Shareholder	Up to 20,925,652 Equity Shares	227.14

^ *Calculated on a fully diluted basis*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 1. The Floor Price, Cap Price and Offer Price (determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 87 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 27.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms only statements expressly made by the Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, the Selling Shareholder assumes no responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or any other person(s) in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited and National Stock Exchange of India Limited. For the purposes of the Offer, [●] is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF THE BRLM AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE	NAME OF THE BRLM AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
Kotak Mahindra Capital Company Limited	Ganesh Rane	**Tel**: +91 22 4336 0000 **E-mail**: cbl.ipo@kotak.com	**Citigroup Global Markets India Private Limited**	Karan Singh Hundal	**Tel**: +91 22 6175 9999 **E-mail**: concord.ipo@citi.com
Jefferies India Private Limited	Suhani Bhareja	**Tel**: +91 22 4356 6000 **E-mail**: Concord.IPO@jefferies.com			

REGISTRAR TO THE OFFER

Link Intime India Private Limited	**Contact Person:** Shanti Gopalkrishnan	**Tel:** +91 22 4918 6200 **Email:** concordbiotech.ipo@linkintime.co.in

BID/OFFER PERIOD

ANCHOR INVESTOR BID/OFFER PERIOD*	[●]	BID/OFFER OPENS ON*	[●]	BID/OFFER CLOSES ON**	[●]

** Our Company and the Selling Shareholder 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.*

*** Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated August 12, 2022
(Please read Section 32 of the Companies Act, 2013)
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Built Offer

CONCORD BIOTECH

Biotech for Mankind...

CONCORD BIOTECH LIMITED

Our Company was originally incorporated as 'Servomed Pharmaceuticals Private Limited' at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 23, 1984, issued by the Registrar of Companies, Gujarat, at Ahmedabad ("**RoC**"). Thereafter, our Company filed an application dated June 24, 1985 for undertaking the change in the name of our Company to 'Concord Pharmaceuticals Private Limited', pursuant to which a revised certificate of incorporation dated September 24, 1985 was issued by the RoC. Subsequently, with effect from December 26, 1986, our Company deemed to have become a public company pursuant to Section 43A of Companies Act, 1956. Thereafter, the name of our Company was changed to 'Concord Biotech Limited' and a fresh certificate of incorporation dated February 16, 2001 was issued by the RoC. Subsequently, our Company became a public company from a deemed public company and a fresh certificate of incorporation dated November 7, 2001 was issued by the RoC. For further details in relation to the changes in the name, allotment of Equity Shares and registered office of our Company, see "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 70 and 159, respectively.

Registered Office: 1482-86, Trasad Road, Dholka, Ahmedabad – 382225, Gujarat, India
Corporate Office: 16th floor, B-Wing, Mondeal Heights, Iscon Cross Road, S.G. Highway, Ahmedabad – 380015, Gujarat, India;
Contact Person: Prakash Sajnani, Company Secretary and Compliance Officer
E-mail: complianceofficer@concordbiotech.com; **Website**: www.concordbiotech.com**; Telephone**: 079-6813 8700; **Corporate Identity Number**: U24230GJ1984PLC007440

PROMOTERS OF OUR COMPANY: SUDHIR VAID AND ANKUR VAID

INITIAL PUBLIC OFFER OF UP TO 20,925,652 EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF CONCORD BIOTECH LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") THROUGH AN OFFER FOR SALE OF UP TO 20,925,652 EQUITY SHARES AGGREGATING UP TO ₹[●] MILLION BY HELIX INVESTMENT HOLDINGS PTE. LIMITED (THE "SELLING SHAREHOLDER") AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDER, THE ("OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹ [●] MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS "NET OFFER". THE OFFER AND NET OFFER SHALL CONSTITUTE [●]% AND [●]%, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE FACE VALUE OF EQUITY SHARES IS ₹ 1 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS, AND WILL BE ADVERTISED IN ALL EDITIONS OF ENGLISH NATIONAL DAILY NEWSPAPER, [●], ALL EDITIONS OF HINDI NATIONAL DAILY NEWSPAPER, [●], AND [●] EDITIONS OF THE GUJARATI DAILY NEWSPAPER, [●], (GUJARATI BEING THE REGIONAL LANGUAGE OF GUJARAT, WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made 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. The Offer is being made in accordance with Regulation 6(1) of the SEBI ICDR Regulations and through the Book Building Process wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"). Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, 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**"), out of which at least one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from the 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. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders such that: (a) one-third of the portion available to Non-Institutional Investors, shall be reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1 million and (b) two-thirds of the portion available to Non-Institutional Investors, shall be reserved for applicants with application size of more than ₹1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank account (including UPI ID (defined hereinafter) in case of UPI Bidders) which will be blocked by the SCSBs or the Sponsor Bank as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 306.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 1. The Floor Price, Cap Price and Offer Price (determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations), and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in "*Basis for Offer Price*" on page 87 should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have neither been recommended, nor approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the Bidders is invited to "*Risk Factors*" on page 27.

COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus 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 Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms only statements expressly made by the Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect. However, the Selling Shareholder assumes no responsibility for any other statements, including without limitation, any and all statements made by or relating to our Company or any other person(s) in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, [●] is the Designated Stock Exchange. A copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance under Section 26(4) and Section 32 of the Companies Act. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 341.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
kotak® Investment Banking	citi®	Jefferies	LINKIntime
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +91 22 4336 0000 **E-mail**: cbl.ipo@kotak.com **Website**: www.investmentbank.kotak.com **Investor Grievance ID**: kmccredressal@kotak.com **Contact Person**: Ganesh Rane **SEBI Registration Number**: INM000008704	**Citigroup Global Markets India Private Limited** 1202, 12th Floor, First International Financial Centre, G Block Bandra Kurla Complex, Bandra (East), Mumbai 400 098 Maharashtra, India **Tel**: +91 22 6175 9999 **E-mail**: concord.ipo@citi.com **Website**: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Investor Grievance ID**: investors.cgmib@citi.com **Contact Person**: Karan Singh Hundal **SEBI Registration Number:** INM000010718	**Jefferies India Private Limited** 42/43, 2 North Avenue Maker Maxity Bandra-Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel**: +91 22 4356 6000 **E-mail**: Concord.IPO@jefferies.com **Website**: www.jefferies.com **Investor Grievance ID**: jipl.grievance@jefferies.com **Contact Person**: Suhani Bhareja **SEBI Registration Number**: INM000011443	**Link Intime India Private Limited** C 101, 247 Park L.B.S Marg Vikhroli (West), Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: concordbiotech.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Investor Grievance ID**: concordbiotech.ipo@linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration Number**: INR000004058

BID/OFFER PROGRAMME			
BID/OFFER OPENS ON*	[●]	**BID/OFFER CLOSES ON****	[●]

** Our Company and the Selling Shareholder 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.*

*** Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus 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 legislations, acts, regulations, rules, directions, guidelines, circulars, notifications, clarifications or policies shall be to such legislations, acts, regulations, rules, guidelines or policies as amended, updated, supplemented, re-enacted or modified, from time to time, and any reference to a statutory provision shall include any subordinate legislation made, from time to time, under such provision.

The words and expressions used in this Draft Red Herring Prospectus, but not defined herein shall have the meaning ascribed to such terms under the SEBI ICDR Regulations, SEBI Listing Regulations, the Companies Act, the SCRA, and the Depositories Act and the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Draft Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

The terms not defined herein but used in "Basis of Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies in India", "History and Certain Corporate Matters", "Our Group Companies", "Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" on pages 87, 90, 93, 151, 159, 185, 188, 271, 306 and 328, respectively, shall have the meanings ascribed to such terms in these respective sections.

General Terms

Term	Description
"our Company" or "the Issuer" or "the Company"	Concord Biotech Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at 1482-86, Trasad Road, Dholka, Ahmedabad – 382225, Gujarat, India
"we" or "us" or "our"	Unless the context otherwise indicates or implies, our Company together with our Joint Venture, on a consolidated basis as on the date of this Draft Red Herring Prospectus

Company Related Terms

Term	Description
Amendment and Termination Agreement	Amendment and termination agreement dated August 12, 2022 to the Investment Agreement (defined hereinafter)
"Articles of Association" or "AoA" or "Articles"	Articles of association of our Company, as amended
Audit Committee	Audit committee of our Board, as described in "*Our Management – Committees of the Board*" on page 173
"Board" or "Board of Directors"	Board of Directors of our Company
Chairman	Executive Chairman of our Board, namely, Sudhir Vaid
"Chief Financial Officer" or "CFO"	Chief financial officer of our Company, namely, Lalit Sethi
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance officer	Company Secretary and Compliance officer of our Company, namely, Prakash Sajnani
Corporate Office	16th Floor, B-Wing, Mondeal Heights, Iscon Cross Road, S.G. Highway, Ahmedabad – 380015, Gujarat, India
"Corporate Social Responsibility Committee" or "CSR Committee"	Corporate social responsibility committee of our Board, as described in "*Our Management – Committees of the Board*" on page 173
Director(s)	Director(s) on the Board
Equity Shares	The equity shares of our Company bearing face value of ₹ 1 each
Executive Director	Executive directors of our Company. For details, see "*Our Management*" on page 165

Term	Description
Group Company	The group company of our Company in accordance with the SEBI ICDR Regulations. For details, see "*Our Group Companies*" on page 185
Independent Director(s)	Independent director(s) of our Board. For details of the Independent Directors, see "*Our Management*" on page 165
Investment Agreement	Investment agreement dated January 16, 2016 entered into by and among the Company, Sudhir Vaid, Ankur Vaid, Megha Vaid, Manju Vaid, Sudman Consultants LLP, Rakesh Jhunjhunwala, Rekha Jhunjhunwala, Ontario, Prembala Singh, Amal Parikh, Amit Goela, Amit Himatlal Shah, Amitabh Sonthalia, Ankush Musaddi, Chanakya Corporate Services Private Limited, Chanda Gupta, Chetan Shah, Colvyn Harris, Devanathan Govindarajan, Hansuta Kapoor, Hemang Dharamshi, Kanishka Kapoor, Kavita Agarwal, Naresh Kumar Gupta, Nilesh Shah, Nipa Utpal Sheth, Nirbhay Mahawar, Nisha Kapoor, Noopur Family Trust, Nupur Jhunjhunwala, Om Prakash, Pankaj Murarka, Prashant Desai, Rajeshkumar Jhunjhunwala, Rajiv Agarwal, Ravi Kapoor, Ravindra Dharamshi, Satish Khanna, Shilpi Vaid, Sonal Kumra, Sushiladevi Gupta, Tripat Vaid, Ushma Sheth, Vishal Gupta and Helix (collectively, the "**Parties to the Investment Agreement**")
IPO Committee	The IPO committee of our Board
"Joint Venture" or "CBJKK"	Concord Biotech Japan K.K.
Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, as described in "*Our Management – Key Managerial Personnel*" on page 180
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
"Nomination and Remuneration Committee" or "NRC Committee"	Nomination, remuneration and compensation committee of our Board, as described in "*Our Management – Committees of the Board*" on page 173
Non-Executive Directors	The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules notified thereunder, as set out in "*Our Management*" on page 165
Ontario	1575773 Ontario INC
Promoter(s)	Promoters of our Company, being, Sudhir Vaid and Ankur Vaid
Promoter Group(s)	The individuals and the entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as described in "*Our Promoter and Promoter Group*" on page 182
RARE	Collectively, Rakesh Jhunjunwala and Rekha Jhunjhunwala
RARE Trusts	Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees), Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees), Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)
Registered Office	1482-86, Trasad Road, Dholka, Ahmedabad – 382225, Gujarat, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Gujarat at Ahmedabad
Restated Consolidated Financial Information	The restated consolidated financial information of our Company and its Joint Venture, comprising of the restated consolidated statement of assets and liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020 and the restated consolidated statements of profits and losses (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated cash flow statement for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.
Risk Management Committee	Risk management committee of our Board, as described in "*Our Management – Committees of the Board*" on page 173
Shareholder(s)	Equity shareholder(s) of our Company from time to time
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Board, as described in "*Our Management – Committees of the Board*" on page 173

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
Allot, Allotment or Allotted	Unless the context otherwise requires, transfer of the Equity Shares by the Selling Shareholder pursuant to the Offer to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor(s)	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus, which will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bidding Date	The day, being one Working Day prior to the Bid / Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), the Anchor Investor Bid/Offer Period, and in the event the Anchor Investor Allocation Price is lower than the Anchor Investor Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations One-third of the Anchor Investor Portion 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
"Application Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include amounts blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders using the UPI Mechanism
ASBA Account	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a UPI Bidder linked to a UPI ID, which will be blocked by the SCSB upon acceptance of the UPI Mandate Request in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer	Collectively, the Escrow Collection Bank, Refund Bank, Public Offer Bank and Sponsor Bank
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer. For details, see "*Offer Procedure*" on page 306

Term	Description
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. However, Eligible Employees applying in the Employee Reservation Portion can apply at the Cut-off Price and the Bid amount shall be Cap Price, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid(s)	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be notified in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati daily newspaper, [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located). In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●]
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations, provided that such period shall be kept open for a minimum of three Working Days Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor
Bidding Centres	The centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer namely, Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited and Jefferies India Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)

Term	Description
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
Cash Escrow and Sponsor Bank Agreement	The cash escrow and sponsor bank agreement dated [●], to be entered into between our Company, the Selling Shareholder, the Book Running Lead Managers, the Registrar to the Offer, the Banker(s) to the Offer and the Syndicate Members for, *inter alia*, collection of the Bid Amounts from the Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof, in accordance with the UPI Circulars
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
"Confirmation of Allocation Note" or "CAN"	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, on or after the Anchor Investor Bid/Offer Period
Cut-off Price	The Offer Price finalised by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers which shall be any price within the Price Band Only Retail Individual Bidders Bidding in the Retail Portion and Eligible Employees under the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	The demographic details of the Bidders including the Bidders' address, name of the Bidders' father or husband, investor status, occupation, bank account details, PAN and UPI ID, where applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms from relevant Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where relevant ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which the Escrow Collection Bank(s) transfer funds from the Escrow Account to the Public Offer Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of UPI Bidders using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account, in terms of the Red Herring Prospectus and the Prospectus, following which the Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	Collectively, the members of the Syndicate, sub-syndicate or agents, SCSBs (other than in relation to RIBs using the UPI Mechanism), Registered Brokers, CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the relevant Bidders, in relation to the Offer. In relation to ASBA Forms submitted by RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by UPI Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders (not using the UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs.

Term	Description
Designated RTA Locations	Such locations of the RTAs where relevant ASBA Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated August 12, 2022 filed with SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto
Eligible Employee	All or any of the following: (a) a permanent employee of our Company working in India, as of the date of filing of the Red Herring Prospectus with the RoC and who continues to be a permanent employee of our Company, until the submission of the Bid cum Application Form; and (b) a Director of our Company, whether whole time or not, who is eligible to apply under the Employee Reservation Portion under applicable law as on the date of filing of the Red Herring Prospectus with the RoC and who continues to be a Director of our Company, until the submission of the Bid cum Application Form, but not including (i) Promoters; (ii) persons belonging to the Promoter Group; and (iii) Directors who either themselves or through their relatives or through any body corporate, directly or indirectly, hold more than 10% of the outstanding Equity Shares of our Company. The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee shall not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹ 200,000. Only in the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000
Eligible FPI(s)	FPI(s) that are eligible to participate in the Offer in terms of applicable law and from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares
Eligible NRI(s)	NRI(s) eligible to invest under Schedule 3 and Schedule 4 of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
Employee Reservation Portion	The portion of the Offer being up to [●] Equity Shares, aggregating to ₹ [●] available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer Equity Share capital of the Company.
Escrow Account(s)	The 'no-lien' and 'non-interest bearing' account(s) opened with the Escrow Collection Bank and in whose favour the Bidders (excluding the ASBA Bidders) will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s), which are clearing members and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account will be opened, in this case being, [●]
First Bidder/Sole Bidder	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, not being less than the face value of the Equity Shares at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
F&S	Frost & Sullivan (India) Private Limited
F&S Report	Report titled "Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" dated August, 2022 prepared and released by F&S, which have been exclusively commissioned and paid for by our Company
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018

Term	Description
"General Information Document" or "GID"	The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Managers
Materiality Policy	The policy adopted by our Board on August 9, 2022 for identification of Group Companies, material outstanding litigation and outstanding dues to material creditors, in accordance with the disclosure requirements under the SEBI ICDR Regulations
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Offer	The Offer less the Employee Reservation Portion
Net Proceeds	Proceeds of the Offer less Offer expenses. For details in relation to use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 85
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Bidders" or "NIBs" or "NIIs"	All Bidders that are not QIBs, RIBs or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Net Offer comprising of [●] Equity Shares which shall be available for allocation to NIIs in accordance with the SEBI ICDR Regulations, to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price. The allocation to the NIIs shall be as follows: a) One-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹ 2,00,000 and up to ₹ 10,00,000; and b) Two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹ 10,00,000
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs
"Non-Resident Indians" or "NRI(s)"	A non-resident Indian as defined under the FEMA Rules
Offer / Offer for Sale	The initial public offer of up to 20,925,652 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹ [●] million, comprising an Offer for Sale of up to 20,925,652 Equity Shares aggregating up to ₹ [●] million by Helix. The Offer comprises the Net Offer and Employee Reservation Portion
Offer Agreement	The offer agreement dated August 12, 2022 entered into between our Company, the Selling Shareholder, and the Book Running Lead Managers, pursuant to which certain arrangements are agreed upon in relation to the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price and discount (if any) will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offered Shares	Up to 20,925,652 Equity Shares offered by the Selling Shareholder in the Offer for Sale
Price Band	The price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) including revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and will be advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] edition of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our registered office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be available to the Stock Exchanges for the purpose of uploading on their respective websites.

Term	Description
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, and the SEBI ICDR Regulations containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Offer Account	The 'no-lien' and 'non-interest bearing' account to be opened, in accordance with Section 40(3) of the Companies Act, with the Public Offer Bank to receive monies from the Escrow Account and the ASBA Accounts on the Designated Date
Public Offer Bank(s)	The bank(s) which are a clearing member and registered with SEBI as a banker to an issue, and with whom the Public Offer Account for collection of Bid Amounts from Escrow Accounts and ASBA Accounts will be opened, in this case being [●]
"QIBs" or "QIB Bidders" or "Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer comprising [●] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
"Red Herring Prospectus" or "RHP"	The red herring prospectus to be issued by our Company in accordance with Section 32 of the Companies Act, and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid / Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids
Registrar Agreement	Registrar agreement dated August 12, 2022 entered into between our Company, the Selling Shareholder and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "Retail Individual Investor(s)" or "RII(s)" or "RIB(s)"	Individual Bidders submitting Bids, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta) and Eligible NRIs
Resident Indian	A person resident in India, as defined under FEMA
Retail Portion	The portion of the Offer being not less than 35% of the Net Offer comprising of [●] Equity Shares, which shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
"RTAs" or "Registrar and Share Transfer Agents"	The registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations in terms of SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI and available on the websites of the Stock Exchanges at www.nseindia.com and www.bseindia.com
SEBI SCORES	Securities and Exchange Board of India Complaints Redress System

Term	Description
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI Mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time
"Selling Shareholder" or "Helix"	Helix Investment Holdings Pte. Limited
Share Escrow Agent	The share escrow agent to be appointed pursuant to the Share Escrow Agreement namely, [●]
Share Escrow Agreement	Share escrow agreement to be entered into between our Company, the Selling Shareholder and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder for the purposes of credit of such Equity Shares to the demat accounts of the Allottees in accordance with the Basis of Allotment
Specified Locations	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
Sponsor Bank	[●], being Banker to the Offer registered with SEBI, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism, in terms of the UPI Circulars
Syndicate Agreement	Syndicate agreement to be entered into between our Company, the Selling Shareholder, the Registrar and the members of the Syndicate in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Member(s)	Intermediaries (other than the Book Running Lead Managers) registered with SEBI who are permitted to accept bids, applications and place order with respect to the Offer, namely [●]
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the Book Running Lead Managers and the Syndicate Members, to collect ASBA Forms and Revision Forms.
"Syndicate" or "members of the Syndicate"	The Book Running Lead Managers and the Syndicate Members
Underwriters	[●]
Underwriting Agreement	Underwriting agreement to be entered into between our Company, the Selling Shareholder and the Underwriters, on or after the Pricing Date, but prior to filing the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Bidders	Collectively, individual investors applying as (i) Retail Individual Bidders in the Retail Portion, (ii) Eligible Employees, under the Employee Reservation Portion, and (iii) Non-Institutional Bidders with an application size of up to ₹ 500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹ 500,000 using UPI Mechanism, shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity)
UPI Circulars	SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no.

Term	Description
	SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the UPI Bidder by way of a notification on the UPI application and by way of a SMS for directing the UPI Bidder to such UPI mobile application) to the UPI Bidder initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	Process for applications by UPI Bidders submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars
Wilful Defaulter	Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry Related Terms or Abbreviations

Term	Description
API	Active pharmaceutical ingredient
ANDA	Abbreviated New Drug Application
B2B	Business-to-business
CDMO	Contract development and manufacturing organization
CEP	Certification of Suitability to the Monographs of the European Pharmacopoeia
CRDMO	Contract research, development, and manufacturing organizations
CSA	Consignment sales agent
DMF	Drug master files
DNA	Deoxyribonucleic acid
DSIR	Department of Scientific and Industrial Research, Government of India
EUGMP	European Union Good Manufacturing Practices
GLP	Good laboratory practices
GMP / cGMP	Good manufacturing practices / Certificate of good manufacturing practices
KSM	Key starting materials
MFDS	Ministry of Food and Drug Safety of Korea
PLI Scheme	Production Linked Incentive Scheme
PMDA	Pharmaceuticals and Medical Devices Agency of Japan
NCE	New chemical entity
RNA	Ribonucleic acid
Small molecules	Organic compounds with low molecular weight
USFDA	The United States Food and Drug Administration

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees
AIF(s)	Alternative Investment Funds
"Bn" or "bn"	Billion
BSE	BSE Limited
CAGR	Compound annual growth rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
"Companies Act" or "Companies Act, 2013"	Companies Act, 2013, as applicable, along with the relevant rules, regulations, clarifications and modifications made thereunder
Consolidated FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020, effective from October 15, 2020 issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate social responsibility
Depositories	Together, NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*formerly known as Department of Industrial Policy and Promotion*)
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EGM	Extraordinary general meeting
EPS	Earnings per share
FDI	Foreign direct investment
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal" or "Fiscal Year" or "FY"	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations. Participation of FVCIs in the Offer shall be subject to the FEMA Rules.
"GoI" or "Government" or "Central Government"	Government of India
GST	Goods and services tax

Term	Description
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Indian Accounting Standards) Rules, 2015
India	Republic of India
"Indian GAAP/IGAAP"	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time
IT	Information Technology
IT Act	The Information Technology Act, 2000
KYC	Know Your Customer
MCA	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
MSMEs	Small scale undertakings as per the Micro, Small and Medium Enterprises Development Act, 2006
Mutual Funds	Mutual Funds registered under the SEBI Mutual Fund Regulations
NACH	National Automated Clearing House
National Investment Fund	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI, published in the Gazette of India
NAV	Net Asset Value
NBFC	Non-Banking Financial Companies
NEFT	National Electronic Fund Transfer
Negotiable Instruments Act	The Negotiable Instruments Act, 1881
NPCI	National Payments Corporation of India
NRE	Non- Resident External
NRI	An individual resident outside India, who is a citizen of India.
NRO	Non-Resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price to Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI BTI Regulations	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to the SEBI AIF Regulations
State Government	The government of a state in India
Stock Exchanges	BSE and NSE
STT	Securities Transaction Tax
Systemically Important NBFC or NBFC-SI	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TAN	Tax deduction account number
U.S. Securities Act	U.S. Securities Act of 1933, as amended
"U.S." or "USA" or "United States"	United States of America including its territories and possessions, any State of the United States, and the District of Columbia
"USD" or "US$"	United States Dollars
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

SUMMARY OF THE OFFER DOCUMENT

The following is a general summary of the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Industry Overview", "Our Business", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of Articles of Association" on pages 27, 55, 70, 93, 131, 271, 306, 328, and [●], respectively.

Primary Business of our Company

We are an India-based biopharma company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share, based on volume in 2021 (*Source: F&S Report*). We had (i) 22 APIs across immunosuppressants, oncology and anti-infectives, and (ii) 43 formulations across immunosuppressants, nephrology drugs, anti-infectives for critical care and other therapeutic areas. We had over 200 customers in over 70 countries as of March 31, 2022 for our APIs and formulations.

Industry in which our Company Operates

The global small-molecule fermentation-based API market is expected to reach US$13 billion (₹966 billion) in 2026 at a CAGR of 3.6% from 2021 to 2026. The immunosuppressant drug market is expected to grow at a CAGR of 9.6% from 2021 to 2026. Oncology drug market, the largest segment among the therapeutic areas in the API market, is expected to reach US$67 billion (₹4,978 billion) by 2026. The anti-infective market, one of the largest segments by revenue among the therapeutic areas in the API market, is expected to reach US$36 billion (₹2,675 billion) by 2026.

Our Promoters

Our Promoters are Sudhir Vaid and Ankur Vaid. For details, see "*Our Promoters and Promoter Group*" on page 182.

Offer Size

The following table summarizes the details of the Offer. For further details, see "*The Offer*" and "*Offer Structure*" on pages 55 and 302, respectively.

Offer of Equity Shares by way of the Offer for Sale[(1)(2)]	Up to 20,925,652 Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million, by Helix.
Employee Reservation Portion	Up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million
Net Offer	Up to [●] Equity Shares for cash at a price of ₹ [●] each, aggregating up to ₹ [●] million

(1) The Offer has been authorized by a resolution of our Board dated May 24, 2022.

(2) The Equity Shares being offered by the Selling Shareholder are eligible for being offered for sale in terms of the SEBI ICDR Regulations. The Selling Shareholder has authorized the sale of its respective portion of the Offered Shares. For details on the authorisation of the Selling Shareholder in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" on page 277.

The Offer and Net Offer shall constitute [●]% and [●]% of the post Offer paid up Equity Share capital of our Company, respectively.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and "*Offer Structure*" on pages 55 and 302, respectively.

Objects of the Offer

The Selling Shareholder will be entitled to the entire proceeds of the Offer after deducting the Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer. The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale

of up to 20,925,652 Equity Shares by the Selling Shareholder. For further details, see "*Objects of the Offer*" on page 85.

Aggregate pre-Offer shareholding of our Promoters and members of the Promoter Group

Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
Promoters		
Sudhir Vaid (Jointly with Manju Vaid)	30,169,524	28.84%
Ankur Vaid (Jointly with Megha Vaid)	586,520	0.56%
Sub-Total (A)	**30,756,044**	**29.40%**
Promoter Group (other than the Promoters)		
Manju Vaid (Jointly with Sudhir Vaid)	9,987,384	9.55%
Megha Vaid (Jointly with Ankur Vaid)	547,008	0.52%
Sonal Kumra	73,920	0.07%
Sudman Consultants LLP	4,752,000	4.54%
Sub-Total (B)	**15,360,312**	**14.68%**
Total (A+B)	**46,116,356**	**44.08%**

Aggregate pre-Offer shareholding of the Selling Shareholder

Category of Shareholders	No. of Equity Shares	% of total paid up Equity Share capital
Helix	20,925,652	20.00%

For further details, see "*Capital Structure*" on page 70.

Summary of Restated Consolidated Financial Information

The following details of our Equity Share capital, net asset value per Equity Share, net worth, return of net worth for equity Shareholders and total borrowings as at March 31, 2022, March 31, 2021 and March 31, 2020 and total income, restated profit after tax and earnings per Equity Share (basic and diluted) for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are derived from the Restated Consolidated Financial Information.

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended		
	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share capital[$#]	95.11	95.11	95.11
Net worth	11,032.23	9,993.73	7,702.34
Total income	7,363.49	6,307.50	5,435.91
Restated profit after tax for the period/year	1,749.29	2,348.87	1,691.12
Basic earnings per Equity Share[$] (in ₹)	16.72	22.45	16.17
Diluted earnings per Equity Share [$] (in ₹)	16.72	22.45	16.17
RONW (%)	16.64	26.55	23.28
Net Asset Value per Equity Share (in ₹)	105.45	95.53	73.62
Total borrowings (as per balance sheet)	605.86	863.49	480.28

*[#] Pursuant to a resolution passed by our Board on May 24, 2022 and a resolution passed by the Shareholders dated July 8, 2022, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 9,510,564 equity shares of face value of ₹10 each to 95,105,640 equity shares of face value of ₹1 each. Sub-division of equity shares is retrospectively considered for the computation of EPS in accordance with Indian Accounting Standard 33 ("**Ind AS 33**") for all periods presented and for the computation of Net Asset Value per share for all periods presented.*

[$] The Board of Directors pursuant to a resolution dated May 24, 2022 and the Shareholders pursuant to a special resolution dated July 8, 2022 have approved the issuance of 9,510,564 bonus Equity Shares in the ratio of one Equity Share for every ten existing fully paid up Equity Shares. Bonus Equity Shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented.

Notes:

A. The ratios have been computed as follows:

i. Earnings Per Share (Basic) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year

ii. Earnings Per Share (Diluted) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year

iii. Return on Net worth (%) = Restated net profit after tax/ Restated average net worth at the end of the period/year

iv. Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted average number of equity shares outstanding during the period/year

B. Accounting and other ratios are derived from the Restated Consolidated Financial Information.

C. Net worth means the aggregate value of the paid-up share capital and all reserves 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, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

D. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

E. Earnings per share calculations are in accordance with Ind AS 33

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

There are no qualifications included by the Statutory Auditors in their audit reports and hence no effect is required to be given in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Other Material Developments*" in terms of the SEBI ICDR Regulations is provided below:

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved (₹ in million)^
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	6	Nil	Nil	Nil	133.19
Directors						
By our Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Subsidiaries						
By subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Against Subsidiaries	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

As on date of this Draft Red Herring Prospectus, there are no outstanding litigations involving the Group Company, which may have a material impact on our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 271.

Risk Factors

Specific attention of the Bidders is invited to "*Risk Factors*" on page 27 to have an informed view before making an investment decision.

Summary of Contingent Liabilities

The details of our contingent liabilities as per Ind AS 37 derived from our Restated Consolidated Financial Information are set forth in the table below:

(₹ in million)

Sr. No.	Particulars	As at March 31, 2022
Contingent Liabilities		
1.	Disputed demand of excise duty for which an appeal has been filed	37.64
2.	Disputed demand of Income Tax in which Company has preferred appeal or filed rectification with the department	95.55
Commitment		
1.	Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the tangible assets (net of advances)	783.85

For details on contingent liabilities, as per Ind AS 37, see "*Restated Consolidated Financial Information – Note 34: Commitments and Contingencies*" on page 225.

Summary of Related Party Transactions

A summary of related party transactions as per the requirements under Ind AS 24 – Related Party Disclosures read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 derived from our Restated Consolidated Financial Information are as follows:

(*In ₹ million*)

	For the Financial Year ended		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Remuneration Paid:			
Sudhir Vaid	40.13	40.13	40.13
Ankur Vaid	16.13	12.10	8.39
Megha Vaid	4.73	3.88	3.37
Sonal Kumra	5.23	4.11	3.43
Lalit Sethi	0.26	-	-
Prakash Sajnani	3.60	2.84	2.57
Total	**70.08**	**63.06**	**57.89**
Professional Fees:			
Ravi Kapoor & Associates	2.48	2.20	2.20
Col. S. K. Vaid	4.23	3.47	3.15
Total	**6.71**	**5.67**	**5.35**
Rent paid:			
Sudhir Vaid	11.36	10.62	9.93
Manju Vaid	3.65	3.41	3.19
Total	**15.01**	**14.03**	**13.12**
Director Sitting Fees:			
Ravi Kapoor	0.08	0.08	0.08
Utpal Sheth	0.08	0.06	0.04
Rajiv Agarwal	0.08	0.08	0.04
Amitabh Thakore	0.08	0.08	0.08
Rajeev Agrawal	0.08	0.02	0.04
Bharti Khanna	0.06	0.02	0.02
Anil Katyal	0.02	0.06	0.02
Total	**0.48**	**0.40**	**0.32**
Dividend Paid:			
Sudhir Vaid	203.37	16.46	192.67
Manju Vaid	67.32	5.45	63.78
Ankur Vaid	3.95	0.32	3.75
Megha Vaid	3.69	0.30	3.49
Sonal Kumra	0.50	0.03	0.40
Ravi Kapoor	1.48	0.12	1.41
Prakash Sajnani	0.15	0.01	0.14
Sudman Consultants LLP	32.03	2.59	30.35
Total	**312.49**	**25.28**	**295.99**

	For the Financial Year ended		
	March 31, 2022	**March 31, 2021**	**March 31, 2020**
Sale of Products:			
Concord Biotech Japan K.K.	462.03	290.26	197.25
Total	**462.03**	**290.26**	**197.25**

For details of the related party transactions, see "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234.

Weighted average price at which the Equity Shares were acquired by the Promoters and the Selling Shareholder of the Company

The weighted average price at which the Equity Shares were acquired by the Promoters and the Selling Shareholder in the one year preceding the date of this Draft Red Herring Prospectus is:

Name of the Shareholder	Number of Equity Shares acquired in the one year preceding the date hereof^	Weighted average price of acquisition per Equity Share (in ₹)*
Promoters		
Sudhir Vaid	2,742,684	Nil^
Ankur Vaid	53,320	Nil^
Selling Shareholder		
Helix	1,902,332	Nil^

** As certified by O.R. Maloo & Co., Chartered Accountants, by way of their certificate dated August 11, 2022.*
^ The acquisition price is nil since the Equity Shares were acquired pursuant to a bonus issue. For details, see "Capital Structure" on page 70.

The weighted average price at which the Equity Shares were acquired by the Promoters and the Selling Shareholder in the eighteen months and three years preceding the date of this Draft Red Herring Prospectus is:

Name of the Shareholder	Number of Equity Shares acquired in the eighteen months preceding the date hereof^	Number of Equity Shares acquired in the three years preceding the date hereof^	Weighted average price of acquisition per Equity Share (in ₹)*
Promoters			
Sudhir Vaid	2,742,684	2,742,684	Nil^
Ankur Vaid	53,320	53,320	Nil^
Selling Shareholder			
Helix	1,902,332	1,902,332	Nil^

** As certified by O.R. Maloo & Co., Chartered Accountants, by way of their certificate dated August 11, 2022.*
^ The acquisition price is nil since the Equity Shares were acquired pursuant to a bonus issue. For details, see "Capital Structure" on page 70.

For further details, see "*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*" on page 71.

Average cost of acquisition for Promoters and the Selling Shareholder

The average cost of acquisition per Equity Share acquired by the Promoters and the Selling Shareholder, as on the date of this Draft Red Herring Prospectus is:

Name of the Promoter / Selling Shareholder	Number of Equity Shares held[#]	Average cost of Acquisition per Equity Share (in ₹)*
Promoters		
Sudhir Vaid	30,169,524	3.83
Ankur Vaid	586,520	2.27
Selling Shareholder		
Helix	20,925,652	227.14

** As certified by O. R. Maloo & Co. Chartered Accountants, by way of their certificate dated August 11, 2022.*

Details of price at which Equity Shares were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, the Promoter Group, the Selling Shareholder and the shareholders with rights to nominate directors or have other rights, are disclosed below:

Name of the acquirer/Shareholder	Date of allotment of Equity Shares	Number of equity shares acquired*	Face value per equity share#	Acquisition price per equity share (in ₹)
Promoters				
Sudhir Vaid	July 11, 2022	2,742,684	1	Nil^
Ankur Vaid	July 11, 2022	53,320	1	Nil^
Members of the Promoter Group				
Manju Vaid	July 11, 2022	907,944	1	Nil^
Megha Vaid	July 11, 2022	49,728	1	Nil^
Sonal Kumra	July 11, 2022	6,720	1	Nil^
Selling Shareholder				
Helix	July 11, 2022	1,902,332	1	Nil^
Shareholders with special rights (other than the Promoter Group who also have special rights)				
Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees)$	July 11, 2022	763,614	1	Nil^
Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees)$	July 11, 2022	763,614	1	Nil^
Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)$	July 11, 2022	763,612	1	Nil^

** Acquired pursuant to bonus issue of Equity Shares. For details, see "Capital Structure" on page 70.*

 # Our Company has undertaken a sub-division of equity shares of ₹ 10 each to Equity Shares having face value of ₹ 1 each pursuant to a resolution passed by our Board on May 24, 2022, and a resolution passed by our Shareholders dated July 8, 2022.

^ The acquisition price is nil since the Equity Shares were acquired pursuant to a bonus issue. For details, see "Capital Structure" on page 70.

$ Collectively referred to as RARE Trusts having a joint special right. For details, see "History and Certain Corporate Matters - Shareholders' agreements and other agreements" on page 162.

For details of sub-division of equity shares in the last one year, see "*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*" on page 71.

Issue of Equity Shares made in the 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 Red Herring Prospectus. However, our Company has undertaken a bonus issue of 9,510,564 Equity Shares in the ratio of one equity share for every ten equity shares held by our Shareholders.

For details, see "*Capital Structure – Notes to the Capital Structure – Equity share capital history of our Company*" on page 71.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of the equity shares of our Company in the last one year preceding the date of this Draft Red Herring Prospectus:

Pursuant to a resolution passed by our Board on May 24, 2022 and a resolution passed by our Shareholders dated July 8, 2022, each equity share of face value of ₹10 each as sub-divided into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 9,510,564 equity shares of face value of ₹10 each to 95,105,640 equity shares of face value of ₹1 each. For details, see "*Capital Structure – Notes to the Capital Structure – Equity Share capital history of our Company*" on page 71.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors or any of their relatives, have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of pre-IPO placement

Our Company is not contemplating a pre-IPO placement.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not sought any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Draft Red Herring Prospectus.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "J.P." or Japan are to the Japan and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a 'year' in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. For further information, see "*Restated Consolidated Financial Information*" and "*Other Financial Information*" on page 188 and 241, respectively.

The Restated Consolidated Financial Information of our Company, along with our Joint Venture comprising of the restated consolidated statement of assets and liabilities as at financial year March 31, 2022, March 31, 2021 and March 31, 2020 and the restated consolidated statements of profits and losses (including other comprehensive income), the restated consolidated statement of changes in equity and the restated consolidated cash flow statement for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the summary statement of significant accounting policies, and other explanatory information prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time.

The standalone and consolidated financial statements of our Company as at and for the year ended March 31, 2020, March 31, 2021, March 31, 2022 were audited by Deloitte Haskins & Sells.

Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references in this Draft Red Herring Prospectus to a particular FY, Financial Year, Fiscal or Fiscal Year, unless stated otherwise, are to the 12-month period ended on March 31 of that particular calendar year.

There are significant differences between Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, Ind AS and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should, accordingly, be limited. For risks relating to significant differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.*" on page 50.

Unless the context otherwise indicates, any percentage amounts or ratios (excluding certain operational metrics), relating to the financial information of our Company in this Draft Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Information, as applicable.

Non-Generally Accepted Accounting Principles Financial Measures

Certain non-GAAP measures such as EBITDA, EBITDA margin, net asset value per equity share, return on equity, return on capital employed and cash conversion ratio ("**Non-GAAP Measures**") presented in this Draft Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the year/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term, hence a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance. See "*Risk Factors – Certain non-GAAP measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies."* on page 46.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "JPY" or "Yen" are to Japanese Yen, the official currency of Japan.
- "U.S.D." or "USD" or "$" "US$" are to United States Dollars, the official currency of the United States of America.
- "Euro" or "€" are to Euro, the official currency of certain member states of the European Union.

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units. One million represents 1,000,000 and one billion represents 1,000,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus in such denominations as provided in the respective sources.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Restated Consolidated Financial Information in decimals have been rounded off to the two decimal place. Due to such rounding off, in certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded off to such number of decimal places as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the other currencies:

(Amount in ₹)

Currency	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
1 US$	75.81	73.50	75.39

Currency	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020
100 JPY	62.23	66.36	69.65
1 €	84.66	56.10	83.05

(Source: www.fbil.org.in and rbi.org.in)

Industry and Market Data

Unless stated otherwise, information pertaining to the industry in which our Company operates in, contained in this Draft Red Herring Prospectus is derived from the F&S Report which has been exclusively commissioned and paid for by our Company, for the purpose of understanding the industry in connection with this Offer.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in this Draft Red Herring Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Offer has been omitted. Data from these sources may also not be comparable.

Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, industry sources and publications may base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited (F&S) which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer*." on page 45.

For details of risks in relation to F&S Report, see "*Risk Factors – This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited (F&S) which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer*." on page 45.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 87 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Accordingly, no investment decision should be made solely on the basis of such information.

The F&S Report is subject to the following disclaimer:

"Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" has been prepared for the proposed initial public offering of equity shares by Concord Biotech Limited (the "Company").

This study has been undertaken through extensive primary and secondary research, which involves discussing the status of the industry with leading market participants and experts, and compiling inputs from publicly available sources, including official publications and research reports. Estimates provided by Frost & Sullivan (India) Private Limited ("Frost & Sullivan") and its assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken all reasonable care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the industry within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. The results that can be or are derived from these findings are based on certain assumptions and parameters/conditions. As such, a blanket, generic use of the derived results or the methodology is not encouraged.

Forecasts, estimates, predictions, and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts,

estimates, predictions, or such statements.

In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information contained in the prospectus of which this report is a part and the recipient must rely on its own examination and the terms of the transaction, as and when discussed. The recipients should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction."

Notice to Prospective Investors in the United States

The Equity Shares 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 this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933 (the "**U.S. Securities Act**") or any state securities laws 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 (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") under Section 4(a) of the U.S. Securities Act and (b) 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. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "could", "expect", "estimate", "intend", "may", "likely", "objective", "plan", "propose", "project", "seek" "will", "will achieve", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. All statements in this DRHP that are not statements of historical fact are 'forward–looking statements'.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, restrictions resulting from the COVID-19 pandemic, regulatory changes pertaining to the industries in India and other overseas jurisdictions in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- manufacturing or quality control issues which may damage reputation, subject our Company to regulatory action, and litigation;
- delay, interruption or reduction in the supply of our raw materials or the transportation of raw materials or products;
- slowdown or shutdown in manufacturing or research and development operations;
- limited number of key customers for a substantial portion of our revenues;
- extensive government regulations, and failure to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required;

For further details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 27, 93, 131 and 246, respectively. 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Forward-looking statements reflect current views of our Company as on the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, the Selling Shareholder, the Syndicate nor any of their respective 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 the SEBI ICDR Regulations, our Company, will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with regulatory requirements including requirements of SEBI and as prescribed under applicable law, the Selling Shareholder shall ensure that the Bidders in India are informed of material developments, in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself as a Selling

Shareholder and the Offered Shares in the Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholder in relation to itself as a Selling Shareholder and the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Prospective investors should carefully consider all information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any or some combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline and prospective investors may lose all or part of their investment. Investors in the Equity Shares should pay particular attention to the fact that we are subject to extensive regulatory environment that may differ significantly from one jurisdiction to other.

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Some risks may be unknown to us and other risks, currently believed to be immaterial, could be or become material. To obtain a complete understanding of our business, prospective investors should read this section in conjunction with the sections "Our Business", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 131, 188 and 246, respectively. In making an investment decision, prospective investors must rely on their own examination of our business and the terms of the Offer, including the merits and risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to them of an investment in our Equity Shares.

This Draft Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. See "Forward-Looking Statements" on page 25. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Unless otherwise indicated, the industry-related information contained in this Draft Red Herring Prospectus is derived from the F&S Report dated August, 2022, which has been commissioned and paid for by our Company for an agreed fee for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. We officially engaged Frost & Sullivan (India) Private Limited ("F&S") in connection with the preparation of the F&S Report on May 2, 2022. Neither we nor any of our Directors or the BRLMs are related parties of F&S. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant financial year. There are no material parts, data or information which may be relevant for the Offer that have been left out or changed in any manner. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "— Internal Risk Factors — Risks Related to Our Business — This Draft Red Herring Prospectus contains information from third parties including an industry report prepared by an independent third-party research agency, F&S, which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer." *on page 21 and 45, respectively.*

We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of our Restated Consolidated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.

INTERNAL RISK FACTORS

Risks Related to Our Business

1. Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business.

We depend on third-party suppliers for certain of our raw materials. For the financial years 2020, 2021 and 2022, we purchased raw materials aggregating to ₹840.59 million, ₹710.33 million and ₹893.60 million from our three largest suppliers, constituting 60.89%, 52.75% and 59.49% of our total raw material costs, respectively. The supply of raw materials from third-party suppliers may be disrupted due to various factors outside of our control, such as disruptions at their manufacturing facilities and the imposition of new governmental regulations and directives. For example, in 2020, the Government of India imposed stringent scrutiny on imports of pharmaceutical raw materials from China, resulting in delays in such shipments at Indian ports. In addition, a significant portion of our raw materials were imported from China. The lockdowns and restrictions in response to the COVID-19 pandemic in China have affected certain deliveries of raw materials from our suppliers to us. Also, for instance, the global economy has been negatively impacted by the recent conflict between Russia and Ukraine. Governments in the United States, United Kingdom, and European Union have imposed sanctions on certain products, industry sectors, and parties in Russia. The conflict could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities, raw materials, energy and transportation. In addition, recent increases in inflation and interest rates globally, including in India, could adversely affect the prices of raw materials and commodities.

We are highly dependent on our imports of raw materials from China, which we cannot assure you that we will be able to continue to obtain in the future, at current levels or at all. Disruptions to or restrictions on our supply of raw materials from China may adversely affect our business, financial condition and results of operations the amount of raw materials we imported for the years indicated:

	For the Financial Year					
	2020		**2021**		**2022**	
	(₹ in millions)	***% of Total***	***(₹ in millions)***	***% of Total***	***(₹ in millions)***	***% of Total***
Cost of materials imported						
From countries other than China	39.15	3.16%	44.90	3.42%	50.55	3.21%
From China	797.32	64.29%	655.83	50.00%	658.70	41.89%
Total cost of materials imported	**836.47**	**67.45%**	**700.73**	**53.42%**	**709.25**	**45.10%**
Cost of materials consumed	**1,240.10**	**100.00%**	**1,311.68**	**100.00%**	**1,572.57**	**100.00%**

In addition, we may be unable to monitor the quality, safety and manufacturing processes of the raw materials from third-party suppliers on a continual basis. Also, if raw material demand outstrips supply in the future, our suppliers may prioritize the orders of their other customers, including our competitors. Further, if the prices of raw materials increase, we cannot assure you that we will be able to pass on such increases to our customers. We plan to source for alternative suppliers if disruptions in the supply of raw materials occur. In addition, we are able to manufacture certain key starting materials in-house. For details, see "*Our Business — Description of Our Business — API Business — Production Process — Semi-synthesis*" on page 141. However, we cannot assure you that we will be able to successfully continue to obtain adequate supplies of our raw materials that meet our quality standards or manufacture key starting materials in-house, at commercially-viable prices, in a timely manner or at all. Disruptions in the supply of raw materials may lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which may adversely affect our business, financial condition, results of operations and cash flows.

We also depend on third parties for the transportation of most of our raw materials and delivery of our products. Such transportation could be disrupted, such as by transportation strikes, accidents or natural disasters. Our raw materials or products may be lost, delayed or damaged in transit. If transportation prices increase, we may not be able to pass such increases on to our customers. We cannot assure you that, if such occurrences occur, we will be able to engage alternate transportation providers in a timely manner. Our inability to do so may prevent us from manufacturing or delivering our products in a timely or cost-effective manner and render us in breach of our contractual obligations, adversely affecting our business, financial condition, results of operations and cash flows.

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

Pharmaceutical companies such as us are required to comply with the regulations and quality standards stipulated by regulatory authorities in India and other jurisdictions. Our manufacturing facilities and products are subject to periodic inspections by these regulatory authorities, and non-compliance with their requirements may result in our manufacturing facilities and products being subject to regulatory action, including a temporary or permanent restriction to market and sell our products in certain markets or result in the withdrawal of a product from certain markets or affect approvals of new products from the respective manufacturing facility.

For instance, pursuant to the inspection of our API manufacturing facility in Dholka in May 2017, certain observations were noted by the Government of Upper Bavaria of Germany and hence the European Union Good Manufacturing Practice ("**EUGMP**") certificate was not issued to our Company for the Dholka facility. Subsequently, our Company took necessary remedial actions and submitted responses in respect of these observations to the Government of Upper Bavaria of Germany who thereafter re-inspected the Dholka facility in September 2017 and observed no critical or major deficiencies. Accordingly, a EUGMP certificate was issued to our Company for the Dholka facility in October 2021.

In 2018, the USFDA inspected our formulation manufacturing facility in Valthera and issued one observation via a Form FDA 483. Our Company responded to the same and an establishment inspection report was issued in December 2018 by the USFDA. Similarly, in January 2020, the Central Drugs Standard Control Organisation of India ("**CDSCO**") inspected our formulations manufacturing facility in Valthera and issued four observations. Our Company responded to the same and a compliance certificate was issued by CDSCO in July 2020.

Manufacturing or quality control issues of our products may also render us in breach of various quality standards and specifications stipulated in our supply agreements with customers. An inability to comply with these standards and specifications may result in the termination of relevant contracts, in case if we fail to rectify such breach in a given time period as specified in the agreements on the grounds of (a) breach of essential contractual obligations; or (b) issues in respect of quality or fitness of the products. Under the majority of our supply agreements, if our products are found to not have conformed to the applicable standards and specifications, we would bear the expenses of replacing and testing such products. Further, while we have not experienced product recalls in the past, the supply agreements expressly provide for product recalls if any issues relating to regulatory authorities arise, or if we or our distributors or suppliers reasonably believe that there are circumstances necessitating recalls of the relevant product. In addition, we may be subject to product liability claims throughout the shelf life of our products, if they do not comply with regulatory or contractually-specified standards. Although we have not received product liability claims against us in the past, we do not maintain product liability insurance, and we cannot assure you that we will not be subject to product liability claims in the future, or that successful product liability claims will be covered, entirely or in part, by our insurance. In addition, unsuccessful product liability claims could nevertheless require us to incur substantial amounts on litigation and divert management's attention. Such occurrences could adversely affect our business, financial condition and results of operations.

Manufacturing or quality control issues of our products and the consequent product liability claims or contractual disputes could damage our reputation and affect consumers' views of our products, adversely affect our goodwill and impair the marketability and brand image of our products. This may lead to a loss of existing business contracts and hamper our ability to enter into additional business contracts in the future. Such occurrences may adversely affect our business, financial condition and results of operations.

3. A slowdown or shutdown in our manufacturing or research and development operations, all located in Gujarat, India, could adversely affect our business, financial condition and results of operations.

We have three manufacturing facilities and two dedicated research and development ("**R&D**") units, which are all located in Gujarat, India. For further details, see "*Our Business — Description of Our Business — Manufacturing Facilities and Approvals*" and "*Our Business — Description of Our Business — Research and Development*" beginning on pages 144 and 145, respectively. We depend heavily on our manufacturing and R&D facilities. Our facilities are subject to risks outside our control, such as failure of equipment or

industrial accidents, disruption in electrical power or water resources, severe weather conditions, natural disasters, infectious diseases (such as COVID-19), political instability and labor strikes. For further details on the risk of strikes or labor unrest, see *"— Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers.*" on page 45. Also, our facilities may be disrupted due to delays in receiving regulatory approvals in the future. In particular, while we are in the process of transferring certain API manufacturing capabilities from the Dholka facility to the Limbasi facility and obtaining the relevant regulatory approvals for Limbasi facility, we mainly depend on the Dholka facility for the manufacturing of APIs, and our regulatory approvals for our APIs are specifically linked to the Dholka facility. Any of the foregoing could cause delays in our operations or require us to shut down the affected manufacturing facility, and we cannot assure you that we would be able to continue production at alternative location. Such shutdown or slowdown could result in us being unable to satisfy our contractual commitments, which could have an adverse effect on our business, financial condition and results of operations.

In addition, shutdowns or slowdowns of our manufacturing or R&D operations may result from our inability to obtain the equipment and services necessary for our operations in the future. We cannot assure you that we will be able to continue to obtain such equipment and services on commercially-acceptable terms, in a timely manner, or at all. Such occurrences could adversely affect our business, financial condition and results of operations.

4. We depend on a limited number of key customers for a substantial portion of our revenues. Any significant reduction in demand for our products from such customers may adversely affect our business and results of operations.

We derive, and may continue to derive, a significant portion of our revenue from a limited number of customers. As of March 31, 2022, we had over 200 customers in over 70 countries. For the financial years 2020, 2021 and 2022, we generated revenues from operations of ₹2,811.83 million, ₹2,725.28 million and ₹3,101.90 million, respectively, or approximately 60.20%, 48.24% and 47.65%, respectively, of our revenue from operations for the same periods, from our top ten customers by revenue for the respective periods. Our dependence on a limited number of customers may expose us to risks such as significant reductions in demand for our products from them in the future, including due to reasons beyond our control, such as them experiencing adverse market conditions or financial difficulties. Their demand for our products may also decrease in the future due to the deterioration of our relationships with them, potentially due to factors including disagreements or disputes relating to the quality, timeliness of delivery or pricing of our products. In addition, we may be susceptible to pricing pressures from them. For further details, see " *— Pricing pressure from customers may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may adversely affect our business, financial condition and results of operations.*" on page 32. We cannot assure that we will be able to maintain or increase the revenues generated from such customers, or maintain or improve our relationships with them. Also, while we seek to broaden our customer base, we cannot assure you that, in the event of any loss of the business of such customers, we will be able to derive revenues from other customers. Such occurrences may adversely affect our business, financial condition and results of operations.

5. If we are unable to obtain trademarks and patents for our products or protect such proprietary information, or inadvertently infringe on the patents of others, our business may be adversely affected.

We rely on trademarks, patents and non-competition agreements to protect our proprietary intellectual property and secrets. As on the date of this Draft Red Herring Prospectus, we filed more than 120 DMFs for APIs with various regulatory agencies around the world. For further details, see "*Our Business – Description of Our Business – Intellectual Property*" beginning on page 149. Our non-competition agreements are entered into with certain distributors and in-licensors. We cannot assure you that these agreements will not be breached or that we will have adequate remedies if they are, and that third parties will not otherwise gain access to our trade secrets or proprietary knowledge. Such occurrences may adversely affect our business, financial condition and results of operations.

Our existing patents and trademarks may expire, and we cannot assure you that we will be able to renew them after expiry. As on the date of this Draft Red Herring Prospectus, we held 54 trademarks, and 22 pending trademark applications, of which one was accepted, two were objected to, one passed formality checks, four were withdrawn, four were refused, one was abandoned, one was under rectification and seven were opposed. If any of our unregistered trademarks or patents are registered in favor of a third party, we

may not be able to claim registered ownership of such trademarks or patents, and consequently, we may be unable to seek remedies for infringement of those trademarks or patents by third parties other than relief against passing off by other entities. Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations.

Further, we in-license, from corporations in India, nephrology drugs and anti-infective drugs for critical care. While we have undertaken our due diligence, we cannot assure you that the intellectual property licensed to us by the out-licensor corporations are or will be valid or will not be objected to. The invalidity of the out-licensor's intellectual property may result in the invalidity of our in-license. We may not be able to manufacture or sell those products that rely on the in-license. Our inability to obtain or maintain these registrations may adversely affect our competitive position and, in turn, our business, financial condition and results of operations.

The pharmaceutical industry that we operate in may experience extensive patent litigation, including relating to purported infringement of innovative products and processes and litigation brought to delay the relevant product's entry into the market. We have not experienced patent litigation in the past. In addition, as an API manufacturer, patent litigation claims are typically brought against our customers as opposed to directly against us. However, we cannot assure you that we will not face patent litigation claims in the future. The outcomes of patent litigation are difficult to predict, and could result in the awards of significant damages and injunctions that could prevent the manufacture and sale of certain products or require us to pay significant royalties to continue manufacturing and selling such products. This could adversely affect our business, financial condition and results of operations.

6. We are subject to extensive government regulations, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business operations, our business, financial condition, results of operations and cash flows may be adversely affected.

We operate in a highly-regulated industry and various aspects of our operations are subject to extensive laws and regulations in India and internationally. We are required to obtain and maintain certain statutory and regulatory permits and approvals in India and in the international markets where we sell our products. For further details, including for details of applications made for material approvals that have expired and have not yet been renewed, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 151 and 275, respectively.

For our existing approvals, the relevant regulators may withdraw or amend our approvals if our facilities and products do not pass their audit. Obtaining new approvals and renewal of our expiring approvals are subject to numerous conditions, which we cannot assure you that we will satisfy. We cannot assure you that, in the future, we will successfully obtain new approvals or renew expiring approvals in a timely manner, in accordance with the timing of our business plans, or at all. In particular, we intend for the Limbasi facility to cater to major emerging and regulated markets, subject to inspections and receipt of approvals from regulatory authorities in these markets. See "*Our Business – Description of Our Business – Manufacturing Facilities and Approvals*" on page 144. We cannot assure you that the inspections and approvals will be completed and obtained in a timely manner, or at all, in the future. In addition, we need to obtain foreign regulatory approvals before marketing our products in international markets. Such approval processes can be complex and expensive and may take up to several years. Obtaining and maintaining regulatory approvals for a given product in one jurisdiction does not guarantee that we will be able to obtain or maintain regulatory approvals in other jurisdictions, and a failure or delay in obtaining or maintaining regulatory approval in one jurisdiction may adversely affect the regulatory approval process in other jurisdictions. Further, regulatory authorities in the markets in which we operate may heavily regulate the marketing of our products, potentially limiting the amount of revenue that we may be able to derive from particular products. We cannot assure you that we will be able to obtain, maintain or renew the approvals necessary for us to manufacture or market our products, in a timely manner or at all. Any such occurrences could adversely affect our business, financial condition and results of operations.

Further, changes in laws and regulations, which could be unclear or inconsistent in certain markets, may increase our compliance costs. If we fail to fully comply with the laws and regulations applicable to us, we could be subject to civil or criminal actions, as well as penalties such as revocation or suspension of our licenses, permits or approvals. Moreover, in countries where we have limited operating experience, we may face greater difficulty complying with a wide variety of local laws. Any inability to comply with changing laws and regulations may lead to penalties and sanctions imposed by the relevant authorities, which could

include shutdowns of our operations and the withdrawal or withholding of regulatory approvals, adversely affecting our business, financial condition and results of operations.

7. Our inability to accurately forecast demand for our products, manage our inventory and utilize our manufacturing capacity optimally may have an adverse effect on our business, financial condition, results of operations and cash flows.

Our business depends on predicting consumer demand for our products and meeting such demand through managing our inventory and utilizing our manufacturing capacity optimally. As is typical in the pharmaceutical industry, we maintain a reasonable level of inventory of raw materials. As of March 31, 2020, 2021 and 2022, our inventories amounted to ₹1,112.31 million, ₹1,536.08 million and ₹1,951.17 million, and our inventory turnover ratio, defined as our cost of goods sold divided by our average inventory, was 1.28 times, 0.84 times and 0.94 times, respectively. While we seek to accurately forecast the demand for our products and plan our production volumes accordingly, if we underestimate demand or have inadequate capacity, we may manufacture fewer quantities of products than required, which could result in the loss of business. We cannot assure you that we will be able to utilize our manufacturing capacity optimally. For instance, the capacity utilization of our formulation manufacturing facility in Valthera during the financial years 2020, 2021 and 2022 was 35.29%, 21.31% and 19.89%, primarily due to the time interval between filing for certain regulatory approvals and receiving them, and commencing production thereafter. For details on the historical capacity utilization at our manufacturing facilities, see "*Our Business – Description of Our Business – Manufacturing Facilities and Approvals – Production capacity, production volumes and capacity utilization*" beginning on page 144. In addition, our new API manufacturing facility at Limbasi may experience capacity under-utilization in the future. On the other hand, we may overestimate demand or demand from our customers may slow down, resulting in surplus stock that we may not be able to sell prior to their expiry. We cannot assure you that we will be able to accurately forecast demand for our products, manage our inventory, and utilize our manufacturing capacity optimally. Our inability to do so may adversely affect our business, financial condition and results of operations and cash flows.

8. Pricing pressure from customers may affect our ability to maintain or increase our product prices and, in turn, our revenue from product sales, gross margin and profitability, which may adversely affect our business, financial condition and results of operations.

We face pricing pressure from customers, which may manifest in various forms, such as through our customers negotiating for discounts in price as the volume of their orders increase. In the United States, we may experience pricing pressure on our formulation business, resulting from customer consolidation and competitive landscape in the United States. In the emerging markets that we sell our products in, our products are sold through distributors, and are also subject to local tender authorities, whose approval and acceptance of the tenders are usually price dependent. In addition, we derive a significant portion of our revenues from a limited number of customers. For further details, see "*— We depend on a limited number of key customers for a substantial portion of our revenues. Any significant reduction in demand for our products from such customers may adversely affect our business and results of operations.*" on page 30. In light of pricing pressures, we cannot assure you that we will be able to price our contracts with customers on terms or margins favorable to us. In response to pricing pressures, pharmaceutical companies like us would need to reduce operating costs in order to maintain profitability, such as through negotiating for lower prices of raw materials purchased, increasing our manufacturing efficiency and streamlining product designs. We cannot assure you that we will be able to avoid and mitigate future pricing pressure from our customers. Our inability to do so may adversely affect our business, financial condition and results of operations.

9. We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements, there may be an adverse effect on our business, cash flows and results of operations.

Our business requires significant working capital, including to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Factors including unforeseen delays, cost overruns, unanticipated expenses, regulatory changes and economic conditions could result in increases in our trade receivables and/or write-offs of trade receivables, and may also require us to avail short-term borrowings in the future. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition. Our sources of additional financing, in the event that we need to draw on them to meet our working capital needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we do incur debt in the

future, our interest and debt repayment obligations will increase, which may adversely affect our profitability and cash flows. We may also become subject to restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations and undertake certain types of transactions. See "*— Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows.*" on page 41. Further, any issuance of equity would dilute existing shareholders' shareholding, our earnings per Equity Share and your interest in our Company. Such occurrences could adversely impact the market price of our Equity Shares, once listed.

Our ability to obtain financing on favorable terms, if at all, will depend on various factors, including our future financial condition, results of operations and cash flows, the amount and terms of our existing indebtedness, general market conditions and market conditions for financing activities. In addition, our cost and availability of funds is dependent on our credit ratings. As of June 30, 2020, we were assigned a long-term rating of "AA-" with an outlook of "Stable" and a short-term rating of "A1+" for our line of credit by ICRA Limited. If our credit ratings are downgraded in the future, interest rates for our future borrowings may increase, adversely affecting our ability to borrow and renew maturing debt on competitive terms. We cannot assure you that we will be able to obtain additional financing in the future on acceptable terms, in a timely manner or at all, to meet our working capital needs. Our inability to do so may adversely affect our expansion plans, business, financial condition and results of operations.

10. We are currently entitled to certain incentive schemes. Any decrease in or discontinuation in such schemes may affect our results of operations.

We are currently entitled to certain incentive schemes. We are one of the companies approved by the Government of India to receive incentives under the Production Linked Incentive ("**PLI Scheme**") to promote domestic manufacturing of critical key starting materials, drug intermediates and APIs in India, by attracting large investments in the pharmaceutical sector and reduce India's import dependence in critical APIs. The PLI Scheme was launched in July 2020 by the Department of Pharmaceuticals, under Ministry of Chemicals and Fertilizers. Our eligibility commenced during the financial year 2022-2023 and will terminate in the financial year 2027-2028, unless extended. In addition, since 2019, we have been benefiting from Gujarat State Biotechnology Mission ("**GSBTM**"), under which we receive (i) capital subsidy of 10% for gross fixed capital investments up to ₹500 million, eligible for ₹50 million and additional 5% incremental gross fixed capital investments over and above ₹500 million; (ii) interest subsidy of 5% for loan amount up to ₹ 500 million, and 2% over and above loan amount exceeding ₹500 million; (iii) power tariff at ₹1 per unit and electricity duty assistance at 100% for five years; (iv) employment generation incentive through employee' provident fund contribution being 75% of provident fund contribution in case of male employees and 100% of provident fund contribution in case of female employee; and (v) stamp duty/ registration fee assistance at 100%. GSBTM incentives are subject to certain terms and conditions that include, amongst others: (a) receipt of capital subsidy is subject to submission of supporting documents, bills, and payment receipts for final approval of empowered committee; and (b) interest subsidy, power tariff subsidy and electricity duty, and employee' provident fund will be reimbursed on quarterly basis on submission of proofs. We cannot assure you that we would continue to be eligible for these or similar schemes. For instance, in the past, we previously benefitted from export incentives, such as the MEIS, which was since discontinued from 2021. The discontinuation of the MEIS affected our other operating income during the financial years 2021 and 2022. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations — Financial Year 2022 compared to Financial Year 2021 — Income*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Our Results of Operations — Financial Year 2021 compared to Financial Year 2020 — Income*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Significant Factors Affecting Our Results of Operations and Financial Condition — Statutory Benefits and Incentives*" on pages 263, 264 and 250. The reduction or termination of such schemes or non-compliance with their conditions could adversely affect our business, financial condition, results of operations and prospects.

11. There are outstanding legal proceedings involving our Company.

There are outstanding legal proceedings involving our Company. The tables below set forth a summary of the litigation involving our Company. For further details of such outstanding legal proceedings, see "*Summary of the Offer Document – Summary of Outstanding litigation*" and "*Outstanding Litigation and Material Developments*" on pages 16 and 271, respectively.

Name of entity	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material civil litigations	Aggregate amount involved^ *(₹ in millions)*
Company						
Against the Company	Nil	6	Nil	Nil	Nil	133.19

Such proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, financial condition and results of operations. We cannot assure you that any of these proceedings will be decided in favor of our Company.

12. Certain therapeutic areas contribute to a more significant portion of our total revenue, and our business, prospects, results of operations and financial condition may be adversely affected if our products in these therapeutic areas do not perform according to the projections of our business plans or if competing products become available and gain wider market acceptance.

We generate a significant proportion of our revenue from operations from our sales of immunosuppressant APIs. Further, we have forward integrated our in-house immunosuppressant APIs into our immunosuppressant formulations. Our revenue from sales of immunosuppressant APIs and formulations may decline as a result of increased market acceptance for our competitors' products instead of ours, breakthroughs in the development of more effective or popular alternative products, regulatory action, pricing pressures or fluctuations in the demand for or supply of our products. In addition, the growth of the immunosuppressant market may decrease in the future. Any failure by us to effectively react to these situations could adversely affect our business, financial condition, results of operations and cash flows.

13. Our success depends on our ability to develop and commercialize new products in a timely manner. If our research and development efforts do not succeed or the products we commercialize do not perform as expected, this may hinder the introduction of new products, and could adversely affect our business, financial condition and results of operations.

Our success depends significantly on our ability to develop and commercialize new APIs and formulations. Commercialization requires us to successfully develop, test, manufacture and obtain the required regulatory approvals for our products, while complying with applicable regulatory and safety standards. While we have various products in the pipeline, we cannot assure you that our API and formulation development and trials will be successful. The development and commercialization process is time-consuming and costly, with uncertain outcomes. The costs of clinical trials, which may be conducted during our formulation development process, may be higher than anticipated, and we cannot assure you that we will be able to obtain sufficient funding or the necessary materials of requisite quality to conduct the trials. Unsuccessful clinical trials may delay the development of new products. Our newly-developed products may not perform as projected in our business plans, and necessary regulatory approvals may not be obtained in a timely manner, if at all. In particular, we seek to make ANDA filings in the United States. We cannot assure you that such filings will be successful, or that it would not result in litigation which we can successfully defend. Further, it may take an extended period of time for our new products to gain market acceptance, if at all. Any failure in developing and commercializing new products could adversely affect our business, financial condition and results of operations.

We commit substantial effort, funds and other resources towards our R&D activities. As of March 31, 2022, we had two R&D units located in Gujarat, India. For the financial years 2020, 2021 and 2022, our R&D expenditure was ₹177.78 million, ₹192.91 million and ₹258.47 million, representing 3.47%, 3.13% and 3.63% of our total revenue from operations, respectively. As of March 31, 2022, we employed 163 R&D personnel. For further details on our R&D activities and facilities, see "*Our Business – Description of Our Business – Research and Development*" on page 145. We cannot assure you that our R&D activities will yield innovations for our business, or that the costs of our ongoing investments in new product launches and R&D will result in corresponding increases in revenues. During our development process, our competitors may be developing similar or competing products, which may hinder our ability to effectively plan the timing of our product development. Any of the foregoing could adversely affect our business, financial condition and results of operations.

14. Our inability to successfully implement our business plan, domestic and international expansion plans and growth strategies could have an adverse effect on our business, financial condition, results of operations and cash flows.

Over the last few years, we have expanded our operations and experienced growth. Between the financial years 2020 and 2022, our total revenue from operations grew at a CAGR of 17.96% from ₹5,123.29 million in the financial year 2020 to ₹6,169.43 million in the financial year 2021 and ₹7,129.33 million in the financial year 2022. For further details on our current growth strategies, see "*Our Business — Our Strategies*" beginning on page 137. Our continued growth requires us to manage complexities such as those relating to increased headcount and the expansion of our international sales and marketing operations, manufacturing and R&D facilities as well as appropriate systems and controls. This may require significant time and attention from our management, and may place strains on our operational systems and controls. For instance, we may face challenges in growing our R&D team, failing which we may not be able to innovate and grow our product portfolio. We have a manufacturing facility for injectables under construction. See "*Our Business — Description of Our Business — Manufacturing Facilities and Approvals*" on page 144. The construction of new manufacturing facilities is subject to risks such as delays or cost overruns and failures to obtain necessary regulatory approvals. We may not be able to increase our market share in the domestic market due to factors such as increased competition. Additionally, we may be unfamiliar with the new international markets that we expand into in the future, and may encounter unanticipated challenges such as difficulties with registering our products or successfully recruiting and training our required on-the-ground sales force. We cannot assure you that we will be able to execute our business plan and growth strategies, and sustain our previous levels of growth. If any of the aforementioned risks were to materialize, our business, financial condition and results of operations may be adversely affected.

15. If we do not maintain and increase the number of our arrangements for the marketing and distribution of our products, our business, financial condition and results of operations could be adversely affected.

In India, our marketing activities are conducted by our own sales force. Outside of India, we market our formulations through distributors. For further details, see "*Our Business — Description of Our Business — Customers*" on page 146. We cannot assure you that we will be able to maintain or improve our relationships with distributors. For instance, one of the distributors has terminated our exclusive distribution and supply agreement (with effect from the date of 180 days from the letter) to the extent of certain products supplied by us. Furthermore, we are also required to purchase the remaining unsold inventory which the distributor would have in its inventory as of that date of termination. As of March 31, 2020, 2021 and 2022, we received ₹ 99.09 million, ₹ 459.63 million and ₹ 315.17 million from sale of the products to such distributor, constituting 1.93%, 7.45% and 4.42% of our revenue from operations, respectively. We retain some of our distributors on a non-exclusive basis, which potentially allows them to engage with our competitors in the future. We also compete for distributors with other leading pharmaceutical companies that may have more visibility, greater brand recognition and financial resources and a broader product portfolio than us, or provide greater incentives to distributors. As such, we cannot assure you that we will be able to find and engage suitable distributors. Our inability to do so may adversely affect our business, financial condition and results of operations.

We have limited control over the operations of our distributors. In markets where we depend on distributors, we may be subject to risks such as (i) not being able to control the amount and timing of resources that they may devote to marketing, selling or distributing our products, (ii) them selling or distributing our products outside their designated territory, (iii) them making important marketing and other commercial decisions concerning our products without our input, (iii) their financial difficulties, and (iv) significant changes in their business strategies that may adversely affect their willingness or ability to fulfil their obligations to us. While our agreements with them contain provisions prohibiting such activities, we cannot assure you that such events will not occur. Our reliance on, and inability to control, our distributors could lead to disruptions to the marketing, selling or distribution of our products and potentially harm our reputation. Such occurrences may adversely affect our business, financial condition and results of operations.

16. Our international operations expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition and results of operations.

We generate a substantial portion of our total revenue from our international markets, primarily the United States, Europe, Japan and emerging markets in Asia, Africa and Latin America. As on the date of this Draft

Red Herring Prospectus, we filed more than 120 DMFs for APIs and had 65 approved products for formulations with various regulatory agencies across the world. Our APIs are provided under a B2B model to pharmaceutical companies globally. For our formulations business as well, we operate through a B2B model across United States and emerging markets under arrangements with distributors in the respective markets. See "*Our Business — Our Strengths — Diversified global customer base with long-standing relationships with key customers*" on page 136. As a result, we are subject to risks related to complying with a wide variety of local laws and restrictions on the import and export of certain intermediates, formulations and technologies, multiple tax and cost structures, and cultural and language factors.

Additionally, the accounting standards, tax laws and other fiscal regulations in the jurisdictions we operate in are subject to differing interpretations, which may exist within various governmental ministries. We may be less familiar with their interpretations, which may lead to uncertainty and potentially unexpected results. Although we did not have any non-compliance with accounting standards, tax laws and other fiscal regulations in overseas markets which resulted in penalties imposed by or action taken by government or tax authorities, we cannot guarantee that such incidents will not occur in the future, in particular, due to our limited operating history in certain foreign jurisdictions. Therefore, we cannot assure you that our tax liability in the future would not increase. Increases in our tax liability may adversely affect our business, prospects, financial condition and results of operations.

Further, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations generally. If we do not effectively manage our international operations, it may affect our profitability from such countries, which may adversely affect our business, financial condition and results of operations.

17. The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could adversely impact our business, financial condition, cash flows and results of operations.

The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures including in India, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" for the purposes of the Disaster Management Act, 2005 and imposed a nationwide lockdown beginning on March 25, 2020. However, as our Company was determined to be operating in an essential industry, we were allowed to continue operations during the lockdown, subject to certain adjustments in working patterns. The lockdown lasted until May 31, 2020, and has since been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdowns across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Since March 2021, due to new strains and subsequent waves of the COVID-19 virus leading to increases in infections, several state governments in India have re-imposed lockdowns, curfews and other restrictions to curb the spread of the virus. Since then, there have been subsequent waves, variants or strains of COVID-19, including a recent "Omicron" wave of COVID-19 from January 2022 to March 2022. We experienced increases in certain expenses in order to comply with the prevailing COVID-19 restrictions. The detection of subsequent waves, variants or strains in India and internationally may lead to further reinstatements of lockdown protocols or other restrictions, which may adversely affect our business operations.

There remains significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future actions by the Government of India, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business, financial condition, results of operations and cash flows in the future. The COVID-19 pandemic has affected, and may continue to affect, our business, financial condition, results of operations and cash flows in a number of ways such as:

- disruptions and delays to our supply chain due to third-party suppliers and transportation providers being affected by the COVID-19 pandemic and related restrictions, which led to disruptions in our manufacturing processes and delays in the delivery of our products to customers. See " — *Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business*" on page 28;

- increase in certain expenses incurred in complying with the prevailing COVID-19 restrictions, such as purchases of hand sanitizers and masks; and

- decrease in demand for our products due to the decrease in medical procedures. In particular, during the COVID-19 pandemic, fewer organ transplant operations were carried out in India, reducing the demand for and sales of our immunosuppressant products.

We have adopted measures to curb the spread of infection in order to protect the health of our employees and ensure business continuity with minimal disruption, and considered internal and external information when finalizing various estimates potentially affected by COVID-19 in relation to the preparation of our financial statements. However, the full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency, impacts our business, financial condition and results of operations will depend on numerous evolving factors that we may not be able to accurately predict or estimate, including the scope, severity, and duration of the pandemic; actions taken by governments, businesses and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and product development projects; disruptions or restrictions on our employees' and suppliers' ability to work, travel or fulfil their obligations to us; any extended period of remote work arrangements; and strains on our or our customers' business continuity plans.

Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely impact our business, financial condition, results of operations and cash flows. Further, as much as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "*Risk Factors*" section.

18. The pharmaceutical industry in which we operate is highly competitive. If we cannot respond adequately to the competition we expect to face, we will lose market share and our profits will decline, which will adversely affect our business, financial condition and results of operations.

The pharmaceutical industry in which we operate is highly competitive. We compete with local companies, multi-national corporations and companies from the rest of the world. In particular, we face competition in our overseas operations. See " — *Our international operations expose us to complex management, legal, tax and economic risks, which could adversely affect our business, financial condition and results of operations.*" on page 35. Our competitors may have greater financial, manufacturing, R&D, marketing and other resources, more experience in obtaining regulatory approvals and broader product ranges. Our competitors may develop products that are more effective, more popular or cheaper than ours, which may render our products uncompetitive. In addition, we may compete for customers with larger pharmaceutical companies that have in-house API capabilities, which may acquire our existing customers. The entry of new competitors into the pharmaceutical industry may also further dilute our market share and affect our profitability. We cannot assure you that our competitors will not gain significant market share at our expense in the future, particularly in the therapeutic areas in which we are focused. Such occurrences could adversely affect our business, financial condition and results of operations.

19. Non-compliance with and changes in environmental, health and safety, and labor laws and other applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.

We are subject to environmental, health and safety, and labor laws. Environmental laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Our products and their manufacture, storage and distribution are subject to quality, health and safety laws and regulations. We are also subject to labor laws and regulations, such as minimum wage and maximum working hours, overtime, working conditions and work permits. Further, the Government of India is in the process of introducing various laws and regulations with the aim of improving employee welfare, which may impact us and our employees. For details on such regulations and policies, see "*Key Regulations and Policies*" on page 151.

We have incurred and expect to continue incurring costs for compliance with all applicable environmental, health and safety, and labor laws and regulations, which may become more stringent in the future. Non-compliance with such environmental laws and regulations may subject us to regulatory action. We cannot assure you that we will continue to be able to comply with all applicable environmental, health and safety, and labor laws and regulations or the terms and conditions of any consents or permits in the future. Such

compliance may result in a curtailment of production or a material increase in the costs of production, which may adversely affect our business, financial condition and results of operations.

20. We are subject to the risk of loss due to fire, accidents and other hazards as our R&D and manufacturing processes and materials are highly flammable and hazardous. We are also subject to the risk of other natural calamities or general disruptions affecting our production facilities and distribution chain.

We use highly-flammable and hazardous materials, such as mycophenolic acid, in our R&D and manufacturing processes. The improper handling or storage of these materials could result in fire, industrial accidents, injuries to our personnel, property and damage to the environment. Although we try to prevent such hazards by implementing and continuously upgrading industry-acceptable risk management controls at our manufacturing locations, training our personnel, conducting industrial hygiene assessments and employing other safety measures, we cannot assure you that we will not experience fires and other accidents. For instance, in May 2021, we experienced a fire at the godown of the facility of one of our consignment and sales agents, due to an electrical short circuit, which caused damage to our stocks of finished goods of formulations of approximately ₹3.10 million. We recovered ₹2.73 million from our insurers under the relevant insurance claims. Any accident at our facilities may result in personal injury or loss of life as well as substantial damage to or destruction of property and equipment. In addition, natural calamities such as floods, earthquakes, rains, inundations and heavy downpours could disrupt our manufacturing and storage facilities. We may be required to temporarily reduce our manufacturing capacity or suspend our operations. Such occurrences may adversely affect our business operations, financial condition and results of operations.

In addition, we may be required to incur costs to remedy the damage caused by such incidents, pay fines or other penalties for non-compliance. Such incidents could subject us to litigation and adversely affect our reputation. While we maintain industrial all risk insurance to guard against losses caused by fires, the insurance coverage may not be sufficient to cover all of our potential losses, see also " — *Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.*" on page 42. If any of the foregoing were to occur, our business operations, financial condition and results of operations could be adversely affected.

21. We are exposed to counterparty credit risk and any delay in receiving payments or non-receipt of payments may adversely impact our business and results of operations.

Our operations involve extending credit to our customers in respect of our product sales, potentially exposing us to counterparty credit risk. As of March 31, 2020, 2021 and 2022, our trade receivables were ₹1,835.05 million, ₹1,775.17 million and ₹2,321.74 million, respectively, and our allowance for doubtful trade receivables were ₹11.56 million, ₹11.27 million and ₹7.81 million, respectively, constituting 0.63%, 0.63% and 0.34% of our trade receivables, respectively, as of the same dates. For details on our trade receivables, see "*Restated Consolidated Financial Information*" beginning on page 188. We cannot assure you that we will receive outstanding amounts due to us in a timely manner, in part or at all. We may not be able to accurately assess the creditworthiness of our customers. They may also face financial difficulties in the future, such as limited access to the credit markets or insolvency, which could cause them to delay payment, request modifications to their payment terms, or default on their payment obligations to us, all of which could increase our trade receivables and/or write-offs of trade receivables. In addition, our customers may refuse to pay or delay in paying their outstanding dues based on their opinion that we have not met our corresponding contractual obligations. Any of the foregoing could adversely affect our business, financial condition and results of operations and cash flows.

22. Our inability to attract or retain companies who are looking to us for in-licensing in the future could adversely affect our market share. If the covenants in our agreements with such companies are onerous or commercially-restrictive, our results of operations and financial condition could be adversely affected.

We had entered into four in-licensing agreements to sell and distribute immunosuppressants and anti-infectives as of March 31, 2022. For further details, see "*Our Business — Description of Our Business — Formulation Business*" on page 142. During the financial years 2020, 2021 and 2022, we derived ₹78.40 million, ₹153.16 million and ₹84.51 million of our sales of products from such marketing and in-licensing agreements, constituting 1.57%, 2.54% and 1.20% of our total sales of products, respectively.

We cannot assure you that we will be able to continue to enter into new marketing and in-licensing agreements in the future, or that we will be able to attract such companies to enter into these agreements with us for the Indian and international markets. With respect to our in-licensing agreements, we cannot assure you that we will be able to obtain additional licenses and/or maintain our existing licenses. Additionally, certain of our marketing and in-licensing agreements contain covenants that may be onerous and commercially restrictive in nature, such as covenants that (i) impose penalties for an event of delay in delivery of products, including damages; and (ii) allow the counterparty the right to terminate the agreement in the event of (a) our Company breaching any of its material obligations and not curing such default over a period of time, as specified in the agreement, and (b) our Company becoming bankrupt or insolvent or receivership proceedings being initiated. Violating any of these covenants may result in events of default, which may result in claims against us or termination of the contracts. Such occurrences in the future could adversely affect our business, financial condition and results of operations.

23. We enter into out-licensing arrangements for the distribution of our products in certain geographies.

We enter into out-licensing arrangements with distributors for distribution of our products in certain geographies, which include Mexico, Ecuador and Indonesia. See "*Our Business — Description of Our Business*" on page 139. These out-licensing arrangements are subject to certain risks, such as disruptions in distribution processes, distributors' unauthorized use of our intellectual property and their non-compliance with applicable approvals. Although we have not experienced any incidents arising out of the out-licensing arrangements that had a material adverse impact on our business, any such occurrences in the future may cause losses to us. While such distributors are typically contractually obligated to indemnify us for losses resulting from events attributable to them, such as non-compliance of product specifications, wilful breach of any obligations, representations or warranties, manufacturing defects and legal actions arising out of third-party intellectual property rights in relation to the products manufactured, we cannot assure you that such distributors will have adequate financial resources to meet their indemnity obligations to us, or that the scope of such indemnities will cover the entirety of our losses. In addition, we are typically contractually obligated to indemnify such distributors in the event of product liability claims arising from proven manufacturing defects in our products. Although we have not experienced any failure to renew our out-licensing arrangements, we cannot guarantee that in the future, we will always be able to renew our out-licensing arrangements or find suitable alternatives at terms acceptable to us, in a timely manner, or at all. Such occurrences may adversely affect our business, financial condition and results of operations.

24. If third parties on whom we rely for clinical trials (including bio-equivalence studies) do not perform their obligations as contractually required or as we expect, or do not comply with the relevant Current Good Manufacturing Practices (cGMP) or other applicable regulations, we may not be able to obtain regulatory approval for or commercialize our formulations products.

Before obtaining regulatory approvals for the sale of some of our formulation products, we are required to conduct clinical trials, such as bio-equivalence studies, to demonstrate the safety and efficacy of our products in humans. For this purpose, we depend on independent clinical investigators, contract research organizations and other third-party service providers to conduct clinical trials and pre-clinical investigations of our new products. We rely on such third parties for execution of our clinical trials. However, we do not control many aspects of their activities, and our reliance on such third parties does not relieve us of our responsibility to comply with the regulations and standards of the USFDA and other regulatory authorities related to good clinical practices. In particular, these third-party service providers must comply with cGMP and other applicable regulations. Any failure to do so could result in warning or deficiency letters from regulatory authorities, which could interfere with or disrupt their ability to complete our studies on time, thereby affecting our product approval process or even forcing a withdrawal of our product which may adversely affect our business, financial condition and results of operations. Further, if such third parties fail to complete clinical trials on schedule, our product development, approval and commercialization could be delayed or prevented. In the past, we did not experience any incident where non-compliance with the regulations and standards of third-party service providers resulted in enforcement actions of regulatory authorities against us. However, we cannot guarantee that such incidents will not occur in the future. While some of our agreements with contract research organizations and other parties may contain indemnification clauses, we have not claimed any material costs under such agreements from such parties during the financial years 2020, 2021 and 2022.

25. Delay or failure in the performance of our contracts may adversely affect our business, financial condition and results of operations.

Our agreements with our customers and distributors require us to supply our products in compliance with specific delivery schedules. Under these agreements, we are required to ensure continuous and uninterrupted supply of our products on "first in" and "first out" basis. In the event if we have reasons to believe that we will be not be able to supply full quantity of products, we shall promptly notify the other party and thereafter parties will discuss how we will deliver the required products on time. Subsequently, if we are not able to deliver sufficient quantities of the required products within the delivery date specified in purchase order, it shall be deemed to be breach of agreement which would result in breach on our part, which will consequently result in cancellation of the purchase order or termination of the agreement. Under some agreements, a penalty in form of damages may be imposed on our Company in case of delay in delivery. We cannot assure you that we will be able to deliver our products on a timely basis, or at all, in the future. Our inability to do so may have the following consequences: (i) cancellation of purchase orders; (ii) breaches of the relevant agreements; and (iii) termination of the relevant agreements by our customers and distributors; and (iv) damage to our reputation. Any of the foregoing may adversely affect our business, financial condition, results of operations.

26. Our success depends on our ability to retain and attract qualified senior management and other key personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.

Our performance depends largely on the efforts and abilities of our Promoters, senior management and other key personnel, which are valuable for our Company's growth and strategic direction. For further details, see "*Our Management*" on page 165. We employ our management team and other key personnel pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us in the future or adequately protect us in the event of their departure or otherwise. We cannot assure you that we will be able to retain all of our management team. While we did not experience significant attrition in our management team and key senior management ("**KSM**") personnel during the last three financial years, the loss of their services in the future may significantly delay or prevent the achievement of our business or scientific objectives. We may be unable to locate suitable or qualified replacements, and may incur additional expenses or time to recruit and train their replacements. We do not maintain insurance to insure against the loss of key personnel. Any of the foregoing could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Competition among pharmaceutical companies for qualified employees is intense. We cannot assure you that we will be able to retain and attract qualified individuals. For the financial years 2020, 2021 and 2022, we had an attrition rate for our employees excluding our management team and KSM personnel, defined as the number of employees (excluding KSM personnel) who left our Company during the relevant year (excluding employees who joined and left within the same year) divided by the average number of our employees (excluding KSM personnel) during the relevant year, of 19.69%, 16.97% and 20.85%, respectively. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining employees that our business requires. For the financial years 2020, 2021 and 2022, our employee benefits expense was ₹622.44 million, ₹694.69 million and ₹956.94 million, respectively, constituting 18.86%, 21.87% and 19.32% of our total expenses, respectively. Further, we cannot assure you that we will be able to attract and retain experienced senior management and key R&D and sales personnel in line with any expansion of our operations. Such occurrences may adversely affect our business, results of operations and financial condition.

27. The availability of counterfeit drugs, such as drugs passed off by others as our products, could adversely affect our goodwill and results of operations.

Entities in India and abroad could pass off their own products as ours, such as through counterfeit or pirated products. This could reduce our market share and adversely affect our goodwill. While we have implemented measures to mitigate counterfeiting, such as tracking-and-tracing through serialization and aggregation and tamper seals or holograms in certain markets, we cannot assure you that we will be able to prevent or mitigate counterfeit drugs passed off as our products. The proliferation of such counterfeit and pirated products, and the time and attention lost to defending claims and complaints about counterfeit products could adversely affect our goodwill, prospects, business, results of operations and financial condition.

28. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, results of operations and cash flows.

Our Company has availed a term loan from the State Bank of India that amounted to ₹562.48 million as of March 31, 2022, which was secured by first charge on factory land and building and plant and machinery of our manufacturing facility at Limbasi. In addition, we have availed certain working capital facilities. As of March 31, 2022, our total borrowings, defined as the aggregate of our non-current borrowings and current borrowings, amounted to ₹605.86 million. Our financing agreements generally include various conditions and covenants that require us to obtain consents from our lenders prior to carrying out certain activities and entering into certain transactions, including (i) formulating any scheme of merger, amalgamation or buyback; (ii) amending the constitutional documents of our Company; (iii) any change in Company's capital structure or making any drastic change in our Company's ownership/control or management; (iv) to dispose its assets other than those as permitted by the bank in writing; (v) winding up or liquidating our Company; and (vi) disposing of assets of our Company other than those as permitted by lenders. For details on our outstanding indebtedness, see "*Financial Indebtedness*" on page 244.

We cannot assure you that we will be able to continue to comply with the covenants and obligations under our financing arrangements in the future or obtain waivers thereof, including repayments of outstanding amounts when due. Breaches of our financing arrangements in the future may result in the termination of the relevant working capital facilities, obligate us to immediately repay our borrowings under such facilities and the enforcement of security we provided. Certain of our unsecured loans can be recalled by our lenders at any time. If such lenders exercise their right to recall the said loans, we may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all which accordingly could have an adverse effect on our reputation, business and financial position. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations or our contractual obligations, or to fund our other liquidity needs, it may adversely affect our financial condition and results of operations. We may be required to sell assets or attempt to restructure or refinance our existing indebtedness, which could be at higher interest rates and on more onerous terms. Further, while we are in default, we may be unable to raise further financing from the existing or future lenders. Any of these circumstances or other consequences could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Moreover, any such action initiated by our lenders could adversely affect the price of the Equity Shares.

29. We currently rely extensively on our systems including information technology systems and products processing/quality assurance systems and their failure could adversely affect our manufacturing operations.

We rely extensively on the capacity and reliability of the information technology systems, processing and quality assurance systems that support our operations. For further details, see "*Our Business – Description of Our Business – Information Technology*" on page 149. Although we have not experienced a major disruption in our manufacturing operations due to failure of such systems to date, we cannot assure you that we will not encounter disruptions in the future. Such disruptions may result in the loss of key information and disruption of production and business processes. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or external parties, that may expose sensitive business data and the personal information of our employees, customers and others to unauthorized persons, and expose our trade secrets or other intellectual property. While we have implemented various protection measures such as access controls, we cannot assure you that such measures will be adequate to protect against all security breaches. Although we have not experienced data security breaches in the past, any such breaches in the future could have an adverse effect on our reputation, business, financial condition and results of operations.

30. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments.

The industry in which we operate is continually changing due to technological advances, scientific discoveries and novel chemical processes, with frequent introduction of new and enhanced products and significant price competition. We cannot assure you that we will be able to successfully keep up with technological improvements in order to remain competitive and meet our customers' needs in a timely and

cost-effective manner. The cost of implementing new technologies for our operations could be significant, which could adversely affect our business, financial condition, results of operations and cash flows.

31. Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected.

Our principal types of insurance coverage include insurance for industrial all risk, erection all risk, fire, public liability, vehicles, money, boiler and directors' and officers' liability. As of March 31, 2020, 2021 and 2022, our insurance coverage amounted to ₹ 9,405.98 million, ₹10,856.78 million and ₹11,391.52 million, which covered 225.71%, 138.54% and 126.43% of our total tangible assets and inventories, respectively, as of the same dates. While we maintain insurance coverage in amounts that we believe are consistent with the norms of the industry in which we operate and would be adequate to cover the normal risks associated with the operation of our business, our insurance policies do not cover all risks and are subject to exclusions and deductibles. In particular, our manufacturing facilities could suffer damage from equipment failure, industrial accidents, fire and other hazards. For further details, see "*— We are subject to the risk of loss due to fire, accidents and other hazards as our R&D and manufacturing processes and materials are highly flammable and hazardous. We are also subject to the risk of other natural calamities or general disruptions affecting our production facilities and distribution chain.*" on page 38. Our insurance may not be sufficient or adequate to cover losses arising from such incidents. Further, the pharmaceutical industry that we operate in is highly-regulated in terms of environmental and pollution regulations, and we may suffer losses due to non-compliance in the future. For further details, see "*— Non-compliance with and changes in environmental, health and safety, and labor laws and other applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.*" on page 37. We do not maintain insurance in respect of such losses, although we maintain public liability insurance. In addition, we may not have insurance or may not have vendor extension covers from our distributors' insurance policies in the countries into which we export our products. Although we have not experienced any incident where a claim under our insurance policies was not honored at all, we cannot assure you that losses suffered by us in the future will not exceed our insurance coverage, or subsequently result in insurance coverage becoming prohibitively expensive or unobtainable. If such events occur, the losses would likely have to be borne by us, which may adversely affect our business, financial condition, results of operations and cash flows.

We need to renew our insurance coverage in the normal course of our business. In addition, from time to time, the pharmaceutical industry has experienced difficulty in obtaining desired product liability insurance coverage. Although we have not experienced any failure to renew or obtain insurance coverage in the past, we cannot assure you that, in the future, we will be able to renew or obtain insurance coverage in a timely manner, at acceptable costs or at all. Any such inability may adversely affect our business, financial condition, results of operations and cash flows.

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

We have entered into certain transactions with related parties and are likely to continue to do so in the future. For details on our related-party transactions, see "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234. Although all related-party transactions that we may enter into are subject to approval by our Audit Committee, Board or shareholders, as required under the Companies Act, 2013 and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions had not been entered into with related parties. Such related-party transactions may potentially involve conflicts of interest which may be detrimental to the interest of our Company and we cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition and results of operations.

33. We are subject to risks arising from exchange rate fluctuations.

Although our reporting currency is Indian Rupees, we transact a significant portion of our business in several other currencies, primarily in US dollars. For the financial years 2020, 2021 and 2022, we generated ₹2,507.65 million, ₹3,642.90 million and ₹3,755.20 million, respectively, from exports, representing 48.95%, 59.05% and 52.67%, respectively, of our revenue from operations for the same periods. Additionally, we also procure a significant portion of our raw materials from outside India and, as a result,

incur such costs in currencies other than the Indian Rupee, primarily in US dollars. We are therefore exposed to exchange rate fluctuations. During the financial years 2020, 2021 and 2022, we had net foreign exchange gain of ₹73.57 million, ₹15.51 million and ₹63.59 million, respectively. We have taken various derivatives to hedge its risk associated with foreign exchange fluctuations. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Analysis of Market Risks — Foreign currency exchange rate risk*" on page 268. However, we do not hedge the foreign exchange fluctuation risks entirely, and we cannot assure you that we will be able to sufficiently hedge against all future foreign exchange fluctuations in the future. Our inability to do so may adversely affect our business, financial condition, results of operations and cash flows.

34. We will be controlled by our Promoters so long as they hold a majority of the Equity Shares, which will allow them to influence the outcome of certain matters submitted for approval of our Shareholders and their interests may differ from those of the other Shareholders.

As of the date of this Draft Red Herring Prospectus, our Promoters hold 29.40% of our issued and paid-up Equity Share capital, on a fully-diluted basis (pre-Offer). After the completion of this Offer, our Promoters will continue to hold 29.40% of our Company's outstanding Equity Shares issued and paid up Equity Share capital, on a fully-diluted basis. For details of their pre- and post-Offer shareholding, see "*Capital Structure*" on page 70.

Consequently, our Promoters will, after completion of the Offer and upon listing of the Equity Shares on the Stock Exchanges, continue to exercise significant influence over us, nominate nominee Directors on the Board and influence decisions requiring simple or special majority voting, and our other Shareholders may be unable to affect the outcome of such voting.

Our Promoters may, in the future, take or block actions with respect to our business which may conflict with our best interests or the interests of other minority shareholders, such as actions with respect to future capital raising. In addition, our Promoters could delay, defer or cause a change of our control or a change in our capital structure, a merger, consolidation, takeover or other business combination involving us or discourage or encourage a potential acquirer from acquiring us. We cannot assure you that our Promoters will always act to resolve any future conflicts of interest in our favor, thereby adversely affecting our business, results of operations and prospects.

35. Our Directors and key management personnel may have interests in our Company in addition to reimbursement of expenses incurred and receipt of remuneration from our Company.

Our Directors and key managerial personnel may be deemed to be interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their respective shareholding in our Company and as well as to the extent of any dividends, bonuses or other distributions on the Equity Shares held by them respectively. For details on the interests of our Directors and Key Managerial Personnel, other than reimbursement of expenses incurred or normal remuneration or benefits, see *"Capital Structure*", "*Our Management — Interests of Directors" and "Our Management — Interests of Key Managerial Personnel"* on pages 70, 172 and 180, respectively.

36. Information relating to the manufacturing capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the manufacturing capacity, actual production and capacity utilization of our manufacturing facilities included in this Draft Red Herring Prospectus, including in "*Our Business — Description of Our Business — Manufacturing Facilities and Approvals — Production capacity, production volumes and capacity utilization*" beginning on page 144, are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer in the calculation of the installed manufacturing capacity, actual production and capacity utilization of our manufacturing facilities. For further details on the independent chartered engineer, see "*General Information — Experts to the Offer*" on page 65. Actual production levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities depending on the product type. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Draft Red Herring Prospectus.

37. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

We have declared dividend in the past. For further information, see "*Dividend Policy*" on page 187. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

38. We do not own our Corporate Office and our warehouses.

We do not own our Corporate Office premises situated at 16th Floor, B-Wing, Mondeal Heights, Iscon Cross Road, S.G. Highway, Ahmedabad – 380015, Gujarat, India, and our warehouses are occupied by us on a leasehold basis. For further details, see "*Our Business – Description of Our Business – Immovable Properties*" on page 149.

We cannot assure you that we will be able to renew our leases in the future, on commercially acceptable terms or at all. We also cannot assure you that, if required to vacate our current premises, we would be able to obtain alternative arrangements for new offices and other infrastructure, on commercially acceptable terms. Relocation of our business operations may disrupt our operations and entail substantial costs, which could have an adverse effect on our business, prospects, results of operations and financial condition. Further, the lease deeds for our properties may not be adequately registered or stamped and consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty or registration.

39. We have contingent liabilities and capital commitments. Our financial condition could be adversely affected if any of these contingent liabilities or capital commitments materialize.

As of March 31, 2022, we had disclosed the following restated consolidated contingent liabilities (that had not been provided for) amounting to ₹133.19 million in our Restated Consolidated Financial Statements as per Ind AS 37:

Nature of Contingent liabilities	**As of March 31, 2022** (***₹ in millions)***
Claims against the Company / disputed liabilities not acknowledged as debts:	
Disputed demand of excise duty for which an appeal has been preferred	37.64
Disputed demand of income tax in which the Company has preferred an appeal or filed for rectification with the Income Tax Department	95.55
Commitments	
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the tangible assets (net of advances)	783.85

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If any of these contingent liabilities materialize, our financial condition and results of operation may be adversely affected. For further details on our contingent liabilities, see also "*Summary of the Offer Document"* and "*Restated Consolidated Financial Information — Notes to the Restated Consolidated Financial Statements – Note 34(b): Contingent liabilities*" on page 225.

In respect of our capital commitments, our estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the tangible assets (net of advances), as disclosed in our Restated Consolidated Financial Statements, amounted to ₹783.85 million, as of March 31, 2022. See "*Restated Consolidated Financial Information — Notes to the Restated Consolidated Financial Statements – Note 34(a): Commitments and Contingencies*" on page 225.

40. This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited (F&S) which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer.

The industry and market information contained in this Draft Red Herring Prospectus includes information that is derived from the F&S Report dated August, 2022 (the "**F&S Report**", prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited ("**F&S**"), which has been paid for by us. We engaged F&S on May 2, 2022. The F&S Report has been commissioned and paid for by us for the purposes of confirming our understanding of the industry exclusively in connection with the Offer. The report uses certain methodologies for market sizing and forecasting, and may include numbers relating to our Company that differ from those we record internally. Given the scope and extent of the F&S Report, disclosures herein are limited to certain excerpts and the F&S Report has not been reproduced in its entirety in this Draft Red Herring Prospectus. There are no parts, data or information (which may be relevant for the Offer), that have been left out or changed in any manner. Neither our Company, the Selling Shareholder or the BRLMs are related to F&S. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates. Industry sources and publications may also base their information on estimates, projections, forecasts, other third-party sources and assumptions that may prove to be incorrect. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, we cannot assure you that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information.

41. Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.

Fluctuations in the market values of our investments could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We cannot assure you that we will be able to accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

42. Our operations are labor intensive and we may be subject to strikes, work stoppages or increased wage demands by our employees or those of our suppliers.

Our operations are labor intensive and we are dependent on a large labor force for our manufacturing operations. As at March 31, 2022, we employed a total of 1,180 permanent employees. The success of our operations depends on availability of labor and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. Although we have not experienced any strikes or labor unrest in the past, we cannot assure you that we will not experience labor disputes or strikes in the future. Such disputes or strikes could hinder our normal operating activities and could disrupt our operations, which in turn could adversely affect our business, financial condition and results of operations.

Furthermore, we engage independent contractors through whom we engage contract labor for performance of certain functions at our manufacturing units as well as at our offices. Although we do not engage these laborers directly, we are responsible for any wage payments to be made to such laborers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and our financial condition.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and

regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits. Further, the Government of India is in the process of introducing various laws and regulations with the aim of improving employee welfare, which may impact us and our employees.

43. Certain non-GAAP measures and other statistical information relating to our operations and financial performance have been included in this Draft Red Herring Prospectus. These non-GAAP measures are not measures of operating performance or liquidity defined by Ind AS and may not be comparable with those presented by other companies.

Certain non-GAAP measures and other statistical information relating to our operations and financial performance such as EBITDA, EBITDA margin, ROCE, ROE, cash conversion ratio, and Net Asset Value per Equity Share have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP measures and other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. However, such information may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS.

EXTERNAL RISK FACTORS

Risks Related to Our Industry

44. Compulsory licensing by the Indian Patent Office or by the patent offices in those jurisdictions where we distribute our products could have an adverse effect on our business, financial condition and results of operations.

Compulsory licensing refers to when a government allows another manufacturing company to produce the patented product or process without the consent of the patent owner. Our ability to enforce our patents depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights, and the extent to which certain jurisdictions may seek to engage in a policy of routine compulsory licensing of pharmaceutical intellectual property as a result of local political pressure or in the case of national emergencies. In India, the Patent Act of 1970 provides for compulsory licensing in certain circumstances, such as the non-availability of the patented product to the public at affordable prices or inadequate working of the patented product. If the authorities in India or in other jurisdictions grant compulsory licensing for any of the pharmaceutical products we sell, this may result in an increase in generic competition and, in turn, a significant and rapid reduction in net sales for such products as generic versions are generally offered at sharply lower prices. As a result, the grant of a compulsory license may have an adverse effect on our business, financial condition and results of operations.

45. We are exposed to government price controls that may change from time to time. Such changes, and the uncertainty thereof, may reduce the pricing of and demand for our products, affecting our business, financial condition and results of operations.

In addition to normal price competition, the prices of certain of our products are or may be restricted by price controls imposed by governments and healthcare providers in India, or in other countries to which we export our products. Price controls can operate differently across countries and can cause wide variations in prices between markets. The existence of price controls may limit the revenue we earn from certain of our products.

For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order, 2013 (the "**DPCO 2013**"), promulgated by the Government of India. The DPCO 2013 prescribes, among other things, the ceiling price of scheduled formulations, the retail price of a new drug for existing manufacturers of scheduled formulations and the maximum retail price of scheduled formulations. Under the DPCO 2013, the Central Government may issue directions to the manufacturers of APIs or bulk drugs and formulations to increase production, or sell such APIs or bulk drugs to formulations manufacturers and direct such manufacturers to sell the formulations to institutions, hospitals or agencies. Under the DPCO 2013, the price of scheduled drugs is determined on the basis of the average market price of the relevant drug. Such average price is arrived at by considering the prices charged by all companies that have a market share of at least 1.0% of the total market turnover on the basis of the moving annual turnover of the drug.

The DPCO 2013 also regulates the margins at which products can be offered through trade channels, including retailers.

Further, the National Pharmaceuticals Pricing Policy, 2012 sets out the principles for pricing essential drugs as specified in the National List of Essential Medicines – 2011 ("**NLEM**"), to ensure the availability of such medicines at reasonable prices. The National Pharmaceutical Pricing Authority (the "**NPPA**") may also notify the ceiling price for additional formulations under the DPCO 2013 or some or all of the remaining formulations listed in the NLEM. Some of our products are covered in the notification and will be subject to the fixed ceiling prices notified, such as our Mofecon 500 mg tablets, Tacrocord 1.0 mg capsules and Gammacord 100ml IV. For the financial years 2020, 2021 and 2022, we derived ₹78.92 million, ₹113.24 million and ₹199.82 million of our sales from our products that were notified in the NLEM, constituting 33.89%, 34.03% and 35.71% of our total formulation sales in India, respectively. If more of our products become regulated by the DPCO or the NPPA or other similar authorities outside India in the future, our business and results of operations could be adversely affected. Further, any future changes in prices of any of our products due to the changes in government price controls and other related laws and regulations are uncertain and cannot be anticipated, and may adversely affect our business, financial condition and results of operations.

Risks Related to India

46. Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, results of operations and cash flows.

The Indian economy and capital markets are influenced by economic, political and market conditions in India and globally. We currently manufacture only in India and, as a result, are dependent on prevailing economic conditions in India. Our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- the macroeconomic climate, including any increase in Indian interest rates or inflation;
- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporates;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters (such as hurricanes, typhoons, floods, earthquakes, tsunamis and fires) which may cause us to suspend our operations;
- civil unrest, acts of violence, terrorist attacks, regional conflicts or situations or war may adversely affect the Indian markets as well as result in a loss of business confidence in Indian companies;
- epidemics, pandemics or any other public health concerns in India or in countries in the region or globally, including in India's various neighboring countries, such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 pandemic;
- prevailing regional or global economic conditions, including in India's principal export markets;
- any downgrading of India's debt rating by a domestic or international rating agency;

- international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;

- protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;

- logistical and communications challenges;

- financial instability in financial markets;

- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis;

- being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so; and

- other significant regulatory or economic developments in or affecting India or its construction sector.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations, and the price of the Equity Shares.

47. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

For instance, due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Further, the Government of India has notified the Finance Act, 2022, which has introduced various amendments.

The Government of India has also proposed an alteration to the concessional basic customs duty rate on drugs, medicines, diagnostic kits or equipment and bulk drugs used in the manufacture of drugs and specified goods for use in the pharmaceutical and bio-technology sectors imported for use in research and development. In respect of goods and service tax ("**GST**"), the Government of India has restricted the availability of input tax credit if a vendor has been non-compliant with furnishing details of supply made to us or discharging GST, etc. Further the Finance Act, 2022 has proposed to restrict credit if the vendor has defaulted in GST payment or availed credit in excess. Such changes may adversely affect our business, prospects, financial condition, cash flows and results of operations.

We have not fully determined the impact of these recent and proposed laws and regulations on our business. We cannot predict whether any amendments made pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business, results of operations and financial condition.

48. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could in turn adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**") was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition ("**AAEC**") in certain markets in India and has mandated the Competition Commission of India (the "**CCI**") to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an AAEC is deemed void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. Further, the Competition Act prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be guilty of the contravention and liable to be punished.

If we pursue acquisitions in the future, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, any enforcement proceedings initiated by the CCI, any adverse publicity that may be generated due to scrutiny or prosecution by the CCI, or any prohibition or substantial penalties levied under the Competition Act, which would adversely affect our business, results of operations, cash flows and prospects.

49. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India s foreign exchange reserves, all which are outside the control of our Company. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

50. Current economic conditions may adversely affect our business, results of operations and financial condition.

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may continue to be less favorable than that of recent years. For example, the recent action of Russian military forces and support personnel in Ukraine has escalated tensions between Russia and the United States, NATO, the European Union and the United Kingdom. Actions by Russia, and sanctions and other measures taken by the U.S. or its allies, could negatively impact regional and global financial markets and economic conditions, and result in global economic uncertainty and increased costs of various commodities. We are exposed to many different industries and companies, including our counterparties under our various manufacturing, sale and distribution agreements, co-branding, raw materials supply and other agreements, any of which may be or become unstable in the current economic environment, which could adversely affect our business, financial condition and results of operations.

51. If the rate of Indian price inflation increases, our business and results of operations may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue. In recent years, India has experienced consistently high inflation, which has increased the price of, among other things, our rent, raw materials and wages. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our clients, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could

have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, the Government of India has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. We cannot assure you that Indian inflation levels will not worsen in the future.

52. Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition.

Our Restated Consolidated Financial Statements for the financial years 2020, 2021 and 2022 included in this Draft Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP.

We have not attempted to explain in a qualitative manner the impact of the IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP, which may differ from accounting principles with which prospective investors may be familiar in other countries. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the SEBI Regulations, on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

53. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, the transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any necessary approvals from the RBI or any other governmental agency can be obtained on any particular terms, or at all.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. These investment restrictions shall also apply to subscribers of offshore derivative instruments. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 326.

54. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions,

or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

55. Rights of shareholders under Indian laws may be different from laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

56. Investors may have difficulty in enforcing foreign judgments against our Company or our management.

Our Company is a limited liability company incorporated under the laws of India. All of our directors and executive officers are residents of India. Many of our Company's assets are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons in India or to enforce judgments obtained against our Company or such parties outside India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions, including the United Kingdom, Singapore, UAE, and Hong Kong. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). The United States has not been notified as a reciprocating territory.

In order to be enforceable, a judgment obtained in a jurisdiction which India recognizes as a reciprocating territory must meet certain requirements of the Civil Procedure Code. Section 13 of the Civil Procedure Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated on except (i) where the judgment has not been pronounced by a court of competent jurisdiction, (ii) where the judgment has not been given on the merits of the case, (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize 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 or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Procedure Code, a court in India shall, on 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; such presumption may be displaced by proving want of jurisdiction. The Civil Procedure Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, or other charges of a like nature or in respect of a fine or other penalty and does not provide for the enforcement of arbitration awards even if such awards are enforceable as a decree or judgment. A foreign judgment rendered by a superior court (as defined under the Civil Procedure Code) in any jurisdiction outside India which the Government of India has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court.

However, the party in whose favor 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 or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action is brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believes that the amount of damages awarded were excessive or inconsistent with public policy in Indian. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable. Such amount may also be subject to income tax in accordance with applicable law.

Consequently, it may not be possible to enforce in an Indian court any judgment obtained in a foreign court, or effect service of process outside of India, against Indian companies, entities, their directors and executive officers and any other parties resident in India. Additionally, there is no assurance that a suit brought in an Indian court in relation to a foreign judgment will be disposed of in a timely manner.

Risks Related to the Offer

57. Our Company will not receive any proceeds from the Offer. The proceeds from the Offer shall be received directly by the Selling Shareholder.

The Offer is an Offer for Sale by the Selling Shareholder. The proceeds from the Offer will be paid directly to the Selling Shareholder. We will not receive any of the proceeds from the Offer and will accordingly not have access to such funds.

58. The Offer Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Offer.

The Offer Price of our Equity Shares has been determined by our Company and the Selling Shareholder in consultation with the BRLMs, and through the Book Building Process. This price is based on numerous factors, as described under "*Basis for Offer Price*" beginning on page 87, and may not be indicative of the market price for our Equity Shares after the Offer. The market price of our Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. As a result of these factors, we cannot assure you that investors will be able to resell their Equity Shares at or above the Offer Price.

59. Our Equity Shares have never been publicly traded, and, after the Offer, our Equity Shares may experience price and volume fluctuations, and an active trading market for our Equity Shares may not develop.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. The Offer Price of our Equity Shares has been determined through a book-building process and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of research analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- conditions in financial markets, including those outside India;
- a change in research analysts' recommendations;
- announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations or changes in laws and governmental regulations applicable to our industry;

- additions or departures of Key Management Personnel; and
- general economic and stock market conditions.
- Changes in relation to any of the factors listed above could affect the price of our Equity Shares.

60. Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.

On listing, our Equity Shares will be quoted in Indian Rupees on the NSE and BSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

61. Any sale of Equity Shares by our Promoters or future issuance of Equity Shares, or convertible securities or other equity-linked securities by us may dilute your shareholding and adversely affect the trading price of our Equity Shares.

We may be required to finance our growth through future equity offerings. Any future issuance of our Equity Shares, convertible securities or securities linked to our Equity Shares by us, including through exercise of employee stock options may dilute your shareholding in our Company. Any sale of our Equity Shares by our Promoters or future equity issuances by us may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. We cannot assure you that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

62. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of our Equity Shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

63. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws and regulations, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a recognized stock exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India, at the rate of 10% (plus applicable surcharge and cess). This beneficial rate is, *inter alia*, subject to payment of Securities Transaction Tax ("**STT**"). Further, any gain realized on the sale of equity shares in an Indian

company held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits or 20% (plus applicable surcharge and cess) with indexation benefits.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India. Such gains will be subject to tax at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

The rates of capital gain tax depend upon certain factors, such as whether the sale is undertaken on or off the Stock Exchanges, the quantum of gains and any available treaty relief. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

64. Certain of our existing shareholders or future shareholders together may be able to exert substantial voting control over us, which may limit your ability to influence corporate matters.

As of the date of this Draft Red Herring Prospectus, our five largest shareholders beneficially owned an aggregate of 77,882,068 Equity Shares, representing 74.45% of our outstanding Equity Shares. While the shareholding of our Company is diversified, some existing or future shareholders together may limit your ability to influence corporate matters that require shareholders' approval. These existing or future shareholders may be able to exercise considerable influence over any matters requiring shareholder approval, including the election of directors, approval of lending and investment policies and the approval of corporate transactions, such as a merger or other sale of our Company or its assets or further fund-raising transactions. Matters requiring shareholder approval could be delayed or not occur at all, which could adversely affect our business. Moreover, these shareholders are not obligated to share any business opportunities with us.

65. Qualified Institutional Buyers (QIBs) and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Bidders are not permitted to withdraw their Bids after the Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. RIBs can revise or withdraw their Bids during the Bid/Offer Period. While our Company is required to complete Allotment pursuant to the Offer within such period as may be prescribed under applicable law, events affecting the Bidders' decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, financial condition and results of operations may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of our Equity Shares even if such events occur, and such events limit the Bidders' ability to sell our Equity Shares Allotted pursuant to the Offer or cause the trading price of our Equity Shares to decline on listing. QIBs and Non-Institutional Investors will, therefore, not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, between the dates of submission of their Bids and Allotment.

SECTION III: INTRODUCTION

THE OFFER

The following table summarizes the Offer details:

Offer of Equity Shares by way of Offer for Sale by the Selling Shareholder[(1)(2)]		Up to 20,925,652 Equity Shares aggregating up to ₹[●] million
The Offer consists of:		
(i) Employee Reservation Portion[(3)]		Up to [●] Equity Shares, aggregating to ₹[●] million
(ii) Net Offer		Up to [●] Equity Shares, aggregating to ₹[●] million
The Net offer comprises of:		
A)	QIB Portion[(4)(5)]	Not more than [●] Equity Shares
	of which:	
	Anchor Investor Portion[(4)]	Up to [●] Equity Shares
	Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
	of which:	
	Available for allocation to Mutual Funds only (5% of the Net QIB Portion)[(5)]	[●] Equity Shares
	Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares
B)	Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
C)	Retail Portion[(4)]	Not less than [●] Equity Shares
Pre-Offer and post-Offer Equity Shares		
Equity Shares outstanding prior to and after the Offer		104,616,204 Equity Shares
Use of Proceeds		Our Company will not receive any proceeds from the Offer for Sale. For further details, see "*Objects of the Offer*" beginning on page 85.

(1) The Offer has been authorized by a resolution passed by our Board of Directors at their meeting held on May 24, 2022.

(2) The Equity Shares being offered by the Selling Shareholder have been held for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with SEBI or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholder have confirmed and approved their participation in the Offer for Sale as set out below:

Selling Shareholder	Number of Offered Shares	Amount of Offered Shares (In ₹ million)	Date of consent letter
Helix	Up to 20,925,652 Equity Shares	Up to [●]	August 8, 2022

(3) In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Offer and such Bids will not be treated as multiple Bids The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. For further details, see "Offer Structure" on page 302.

(4) Subject to valid bids being received at or above the Offer Price, under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange, subject to applicable laws.

(5) Our Company and the Selling Shareholder shall, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. The Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For details, see "Offer Procedure" on page 306.

Allocation to Bidders in all categories except the Anchor Investor Portion, Non-Institutional Portion and the Retail Portion, if any, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each of the RIBs shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The allocation to each of the NIIs shall not be less than the minimum application size, subject to the

availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the SEBI ICDR Regulations.. For further details, see "*Offer Procedure*" on page 306.

For details of the terms of the Offer, see "*Terms of the Offer*" on page 296.

SUMMARY OF RESTATED CONSOLIDATED FINANCIAL INFORMATION

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020.

The Restated Consolidated Financial Information referred to above are presented under "Financial Information" on page 188. The summary of financial information presented below should be read in conjunction with the "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 188 and 246, respectively.

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RESTATED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

(in ₹ million, except for share data and if otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5,680.31	5,376.47	2,363.14
(b) Capital work-in-progress	741.56	179.46	1,414.05
(c) Intangible assets	35.79	64.18	0.93
(d) Right-of use assets	13.68	21.53	31.95
(e) Investment in joint venture	-	3.66	8.15
(f) Financial assets			
(i) Investments	2.56	-	-
(ii) Others	24.96	27.72	54.10
(g) Other non-current assets	266.39	63.94	147.00
(h) Non-Current tax assets (Net)	36.04	17.03	-
Total non-current assets (A)	**6,801.29**	**5,753.99**	**4,019.32**
II. Current assets			
(a) Inventories	1,951.17	1,536.08	1,112.31
(b) Financial assets			
(i) Investments	734.75	1,409.88	1,981.05
(ii) Trade receivables	2,321.74	1,775.17	1,835.05
(iii) Cash and cash equivalents	6.67	51.44	24.08
(iv) Other bank balances	882.65	556.76	1.78
(v) Others	219.80	226.29	20.54
(c) Other current assets	209.88	515.85	411.02
Total current assets (B)	**6,326.66**	**6,071.47**	**5,385.83**
Total Assets (A) + (B)	**13,127.95**	**11,825.46**	**9,405.15**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	95.11	95.11	95.11
(b) Other equity	10,937.12	9,898.62	7,607.23
Total equity (A)	**11,032.23**	**9,993.73**	**7,702.34**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	312.48	562.50	355.28
(ii) Lease Liabilities	3.11	16.33	29.35
(b) Provisions	18.74	20.98	15.94
(c) Deferred tax liabilities (net)	209.71	174.53	151.29
Total non-current liabilities (B)	**544.04**	**774.34**	**551.86**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	293.38	300.99	125.00
(ii) Lease liabilities	15.96	13.01	10.91
(iii) Trade payables			
Due to micro and small enterprise	89.68	83.29	66.69
Due to other than micro and small enterprise	741.38	380.68	645.64
(iv) Others	216.40	228.20	73.01
(b) Provisions	17.48	6.60	2.84
(c) Other current liabilities	177.40	44.62	209.04
(d) Liabilities for current tax (net)	-	-	17.82
Total current liabilities (C)	**1,551.68**	**1,057.39**	**1,150.95**
Total Equity and Liabilities (A) + (B) + (C)	**13,127.95**	**11,825.46**	**9,405.15**

RESTATED CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(*in ₹ million, except for share data and if otherwise stated*)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Income			
Revenue from operations	7,129.33	6,169.43	5,123.29
Other income	234.16	138.07	312.62
Total Income	**7,363.49**	**6,307.50**	**5,435.91**
Expenses			
Cost of materials consumed	1,572.57	1,311.68	1,240.10
Purchases of stock-in-trade	307.33	194.46	107.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(239.79)	(390.47)	(48.51)
Employee benefits expense	956.94	694.69	622.44
Finance costs	54.84	6.66	6.99
Depreciation and amortization expense	500.50	275.23	212.45
Other expenses	1,799.54	1,083.56	1,159.77
Total Expenses	**4,951.93**	**3,175.81**	**3,301.03**
Restated Profit before tax and share of profit from joint venture	**2,411.56**	**3,131.69**	**2,134.88**
Share of Profit/ (loss) of Joint venture accounted using Equity method	(36.38)	(4.49)	1.50
Restated Profit before tax	**2,375.18**	**3,127.20**	**2,136.38**
Tax Expense			
Current tax	584.90	757.20	544.70
Deferred tax	37.05	23.39	(100.02)
Short / (excess) provision for tax of earlier years	3.94	(2.26)	0.58
Total tax expenses	**625.89**	**778.33**	**445.26**
Restated profit for the year after tax	**1,749.29**	**2,348.87**	**1,691.12**
Other Comprehensive Income / (Loss)			
Items that will not be reclassified to the Statement of Profit or Loss			
Re-measurement loss on defined benefit plans	(7.46)	(0.56)	(4.25)
Income tax relating to re-measurement gains on defined benefit plans	1.88	0.14	1.07
Restated other comprehensive income / (loss) for the year	**(5.58)**	**(0.42)**	**(3.18)**
Restated total comprehensive income for the year	**1,743.71**	**2,348.45**	**1,687.94**
Restated Profit for the year attributable to:			
Owners of the Company	1,749.29	2,348.87	1,691.12
Non-controlling interest	-	-	-
	1,749.29	**2,348.87**	**1,691.12**
Restated Total Other Comprehensive Income / (loss) for the year attributable to:			
Owners of the Company	(5.58)	(0.42)	(3.18)
Non-controlling interest	-	-	-
	(5.58)	**(0.42)**	**(3.18)**
Restated Total Comprehensive Income for the year attributable to:			
Owners of the Company	1,743.71	2,348.45	1,687.94
Non-controlling interest	-	-	-
	1,743.71	**2,348.45**	**1,687.94**
Restated earnings per share (Nominal value per equity share of ₹ 10 each)			
Basic and diluted	16.72	22.45	16.17

RESTATED CONSOLIDATED CASH FLOW STATEMENT

(*in ₹ million, except for share data and if otherwise stated*)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
(A) Cash flow from operating activities			
Profit before tax as per Restated Statement of Profit and Loss	2,375.18	3,127.20	2,136.38
Adjustment to reconcile Profit before tax to net cash flows:			
Share of (profit)/Loss in Joint Venture	36.38	4.49	(1.50)
Depreciation and amortization	500.50	275.23	212.45
Interest Income	(47.87)	(15.73)	(0.41)
Finance Cost	54.84	6.66	6.99
Interest Subsidy Income	(29.37)	(1.42)	-
Bad Debt Written Off	-	4.88	1.74
(Reversal) / Provision of doubtful debts, net	(3.46)	(0.29)	3.42
Excess provision no longer required written back	-	(21.84)	(0.87)
Export benefits receivables and other receivables written off	64.54	-	-
Provision against other receivables	22.70	-	-
Net loss/ (gain) on sale of Property, plant & equipment	0.34	-	(0.52)
Net gain on sale of investments	(50.94)	(67.70)	(234.01)
Net gain on financial assets measured at fair value through profit or loss	(1.36)	(2.16)	109.85
Net unrealized exchange (gain) / loss	(18.35)	(1.75)	23.32
Operating Profit before Working Capital Changes	**2,903.13**	**3,307.57**	**2,256.84**
Working Capital Changes:			
(Increase)/Decrease in Inventories	(415.09)	(423.77)	(195.14)
(Increase)/Decrease in trade receivables	(527.69)	65.01	(294.31)
(Increase)/Decrease in other financial assets	(64.28)	(17.90)	(37.41)
(Increase)/Decrease in other assets	305.98	(142.88)	(265.49)
Increase/(Decrease) in provisions	1.17	8.25	1.45
Increase/(Decrease) in trade payables	365.32	(225.10)	392.65
Increase/(Decrease) in other liabilities	100.10	(164.42)	193.38
Increase/(Decrease) in other financial liabilities	13.96	13.18	(12.37)
	(220.53)	**(887.63)**	**(217.24)**
Cash generated from operations	2,682.60	2,419.94	2,039.60
Direct Taxes paid (Net of Income Tax refund)	(607.85)	(751.77)	(491.16)
Net cash flow from operating activities (A)	**2,074.75**	**1,668.17**	**1,548.44**
(B) Cash flow from investing activities			
Purchase of property plant & equipment and intangible assets	(1,555.05)	(2,041.76)	(1,554.67)
Proceeds from disposal of property plant & equipment	0.56	-	1.70
Purchase of Current Investment	(4,889.50)	(6,182.72)	(4,799.82)
Proceeds from sale of Current Investment	5,614.36	6,823.74	5,236.27
Interest received	41.39	1.07	0.05
Purchase of Non Current Investment	-	-	(6.65)
Net Cashflow from Deposits (Other bank Balances)	(329.64)	(552.38)	(4.67)
Net cash flow used in investing activities (B)	**(1,117.88)**	**(1,952.05)**	**(1,127.79)**
(C) Cash flow from financing activities			
Repayment of Long term borrowings	(250.02)	(187.50)	(92.21)
Proceeds of Long Term borrowings	-	519.72	480.28
Change in Short term borrowings (net)	(7.61)	50.99	-
Dividend Paid (Including tax on dividends)	(705.21)	(57.06)	(805.45)
Interest Paid	(53.15)	-	(2.91)
Interest subsidy received	30.89	-	-
Repayment towards Lease Liabilities	(16.54)	(14.91)	(13.87)
Net cash flow from/ (used) in financing activities (C)	**(1,001.64)**	**311.24**	**(434.16)**
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(44.77)	27.36	(13.51)
Cash and cash equivalents at the beginning of the year	51.44	24.08	37.59
Cash and cash equivalents at the end of the year	**6.67**	**51.44**	**24.08**

GENERAL INFORMATION

Our Company was originally incorporated as 'Servomed Pharmaceuticals Private Limited' at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 23, 1984, issued by the Registrar of Companies, Gujarat, at Ahmedabad ("**RoC**"). Thereafter, our Company filed an application dated June 24, 1985 for undertaking the change in the name of our Company to 'Concord Pharmaceuticals Private Limited' as the name 'Concord' was capable of being easily pronounced and to be popularized in the pharmaceuticals industry, pursuant to which a revised certificate of incorporation dated September 24, 1985 was issued by the RoC. Subsequently, with effect from December 26, 1986, our Company deemed to have become a public company pursuant to Section 43A of Companies Act, 1956. Thereafter, the name of our Company was changed to 'Concord Biotech Limited' as the new management of our Company decided to use the available plant and machinery for biotechnology products, and a fresh certificate of incorporation dated February 16, 2001, was issued by the RoC. Subsequently, our Company became a public company from a deemed public company and a fresh certificate of incorporation dated November 7, 2001 was issued by the RoC.

Registered Office of our Company

The address of our Registered Office is as follows:

Concord Biotech Limited
1482-86
Trasad Road, Dholka
Ahmedabad, Gujarat – 382225

For details of changes in the registered office address of our Company, see "*History and Certain Corporate Matters – Changes in our Registered Office*" on page 159.

Corporate Office of our Company

The address of our Corporate Office is as follows:

Concord Biotech Limited
16th floor, B-Wing, Mondeal Heights
Iscon Cross Road, S.G. Highway
Ahmedabad– 380015, Gujarat

Corporate Identification Number: U24230GJ1984PLC007440

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus will be filed electronically on the platform provided by SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD", and will also be uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018. It will also be filed with the Securities and Exchange Board of India at:

Securities and Exchange Board of India
Corporation Finance Department
Division of Issues and Listing
SEBI Bhavan, Plot No. C4 A, 'G' Block
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051, Maharashtra, India

Our Company is registered with the Registrar of Companies, Gujarat at Ahmedabad. The Red Herring Prospectus and Prospectus will be filed in accordance with section 32 read with section 26 of the Companies Act, along with the material contracts and documents referred to in the Red Herring Prospectus and the Prospectus with the RoC at:

Registrar of Companies

ROC Bhavan,
Opp. Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura,
Ahmedabad, Gujarat - 380013

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Sudhir Vaid	Chairman and Managing Director	00055967	99, Basant Bahar-I, opposite Sterling City, Bopal, Daskroi, Ahmedabad – 380058, Gujarat
Ankur Vaid	Joint Managing Director and Chief Executive Officer	01857225	99, Basant Bahar-I, opposite Sterling City, Bopal, Daskroi, Ahmedabad – 380058, Gujarat
Ravi Kapoor	Non-Executive Director	00003847	202, Pravesh Apartment, 10 Mahadevnagar Society, Sardar Patel Stadium Road, Ahmedabad City, Navjivan, Ahmedabad – 380014, Gujarat
Rajiv Ambrish Agarwal	Non-Executive Nominee Director	00379990	3rd Floor, Chamaria Niwas, 41 Mahant Road, Near Ruia High School, Vile Parle East, Mumbai – 400057, Maharashtra
Utpal Sheth	Non-Executive Nominee Director	00081012	B-2901, Beaumonde, Appa Saheb Marathe Marg, Near Chaitanya Tower, Prabhadevi, Mumbai – 400025, Maharashtra
Amit Varma	Non-Executive Nominee Director	02241746	KCLH 400 DLF, Kings Court, W Block, GK 2, Alaknanda Road, Greater Kailash, South Delhi, Delhi 110048
Bharti Khanna	Independent Director	05147844	E-256, Sarita Vihar, South Delhi, Delhi - 110076
Anil Katyal	Independent Director	06828200	W-153, Greater Kailash 1, South Delhi, Delhi – 110048
Amitabh Thakore	Independent Director	00016715	B/301, Shiromani Flats, Satellite Road, Near Nehrunagar Circle, Satellite, Ambawadi Vistar, Ahmedabad – 380015, Gujarat.
Arvind Agarwal	Independent Director	00122921	16/302, Satyagrah Society Satelite Road, VTC, Ahmedabad city, Ahmedabad, Gujarat
Jayaram Easwaran	Independent Director	02241192	Tower B1, Flat No.1101, Parasnath Exotica, Golf Course Road, Near Ibis Hotel, Sector 53, Gurgaon, Haryana
Mandayam Chakravarthy Sriraman	Independent Director	09631555	B-4, C S Patel Enclave, near post office, Pratapgunj, Vadodara, Fateganj, Gujarat

For further details of our Directors, see "*Our Management*" on page 165.

Company Secretary and Compliance officer

Prakash Sajnani is our Company Secretary and Compliance officer. His contact details are as follows:

Prakash Sajnani
B1601-1602, B-Wing,
Mondeal Heights,
Iscon Cross Road,
S.G. Highway,
Ahmedabad, Gujarat – 380015
Tel: 079-6813 8700
E-mail: complianceofficer@concordbiotech.com

Statutory Auditor to our Company

Deloitte Haskins & Sells
19th Floor, Shapath-V,

Besides Crowne Plaza Hotel,
Opp. Karnawati Club,
S.G. Highway,
Ahmedabad - 380015
Tel: +91 79 6682 7300
E-mail: hasutaria@deloitte.com
Peer Review No.: 012965
Firm Registration Number: 117365W

There has been no change in the auditors of our Company during the three years preceding the date of this Draft Red Herring Prospectus.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. C - 27
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: cbl.ipo@kotak.com
Website: www.investmentbank.kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Citigroup Global Markets India Private Limited
1202, 12th Floor, First International Financial Centre, G Block,
Bandra Kurla Complex, Bandra (East), Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: concord.ipo@citi.com
Website: http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Investor Grievance ID: investors.cgmib@citi.com
Contact Person: Karan Singh Hundal
SEBI Registration No: INM000010718

Jefferies India Private Limited
42/43, 2 North Avenue Maker Maxity,
Bandra-Kurla Complex,
Bandra (East) Mumbai 400 051,
Maharashtra, India
Tel: +91 22 4356 6000
E-mail: Concord.IPO@jefferies.com
Investor Grievance E-mail: jipl.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Suhani Bhareja
SEBI Registration No.: INM000011443

Legal Advisors to the Offer

Legal Counsel to our Company as to Indian law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Mumbai 400013
Maharashtra, India
Tel: +91 22 2496 4455

Legal Counsel to the Book Running Lead Managers as to Indian law

IndusLaw
#1502B, 15th Floor
Tower – 1C, "One World Centre"
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013, India
Tel: + 91 22 4920 7200

International Legal Counsel to the Book Running Lead Managers

Sidley Austin LLP
Level 31, Six Battery Road,

Legal Counsel to the Selling Shareholder as to Indian Law

Khaitan & Co
Max Towers, 7th & 8th Floors

Singapore 049909
Tel: +65 6230 3900

Sector 16B Noida
Gautam Budh Nagar 201 301
Uttar Pradesh, India
Tel: +91 120 479 1000

Registrar to the Offer

Link Intime India Private Limited
C 101, 247 Park
L.B.S. Marg, Vikhroli (West)
Mumbai 400083
Maharashtra, India
Telephone
Tel: +91 22 4918 6200
E-mail ID: concordbiotech.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance E-mail ID: concordbiotech.ipo@linkintime.co.in
Contact Person: Shanti Gopalkrishnan

Bankers to the Offer

Escrow Collection Bank(s), Refund Bank and Public Offer Account Bank

[●]

Sponsor Bank

[●]

Bankers to our Company

State Bank of India
A-FF-1, First Floor
Iscon Elegance, S.G. Highway
Prahladnagar Crodd Road
Ahmedabad 3800 015
Tel: +91 9979894845
Email ID: rm3.obahm@sbi.co.in
Contact Person: Avinash Kumar / Sandeep Kumar

Axis Bank Limited
CBB Branch, 3rd Eye One Building
Nr Panchvati Circle
CG Road, Ahmedabad 380 009
Tel: 079-6682 4003
Email ID: kaundinya.trivedi@axisbank.com, prashant.thakur@axisbank.com
Contact person: Kaundinya Trivedi / Prashant Thakur

Syndicate Members

[●]

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB branches with which an ASBA Bidder (other than a UPI Bidder using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

S**CSBs and mobile applications enabled for UPI Mechanism**

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding through the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is available on https://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.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stockbroker network of the stock exchange, i.e. through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated August 12, 2022 from our Statutory Auditor, namely, Deloitte Haskins & Sells to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (a) examination report dated August 9, 2022 on the Restated Consolidated Financial Information, (b) report dated August 12, 2022 on the statement of special tax benefits. Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated July 10, 2022, from Jagdishchandra Mistry to include their name in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated August 10, 2022 certifying manufacturing

capacity and capacity utilization of the manufacturing facilities owned and controlled by the Company along with the existing installed manufacturing capacity for each product and capacity utilization for each such products in the manufacturing facilities in the last three years included under "*Our Business – Manufacturing Facilities and Approvals – Production Capacity, Actual Production Volume and Capacity Utilization*" on page 144 and such consent has not been withdrawn as on the date of this DRHP.

Our Company has also received written consent dated August 11, 2022 from Edipilis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to the intellectual property rights of our Company and in respect of their certificate dated August 12, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii) manufacturing facilities and research and development facilities of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.

Our Company has received written consent dated August 11, 2022 from O.R. Maloo & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Inter-se allocation of responsibilities among the Book Running Lead Managers to the Offer

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers to the Offer:

S. No.	Activity	Responsibility	Coordinator
1.	Due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	BRLMs	Kotak
2.	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc.	BRLMs	Kotak
3.	Drafting and approval of all statutory advertisement	BRLMs	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report	BRLMs	Jefferies
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Bank, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Citi
6.	Preparation of road show presentation and frequently asked questions	BRLMs	Jefferies
7.	International institutional marketing of the Offer, which will cover, *inter alia*: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Citi
8.	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Marketing strategy; • Finalizing the list and division of investors for one-to-one meetings; and • Finalizing road show and investor meeting schedule	BRLMs	Kotak
9.	Retail and Non Institutional marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc.; • Follow-up on distribution of publicity and Offer material including application form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	BRLMs	Citi
10.	Coordination with Stock Exchanges for Book Building software, bidding terminals, mock trading, payment of 1% security deposit, Anchor coordination, Anchor CAN and intimation of anchor allocation	BRLMs	Jefferies

S. No.	Activity	Responsibility	Coordinator
11.	Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholder	BRLMs	Citi
12.	Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination with Registrar, SCSBs, Sponsor Banks and other Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Other post-Offer activities, which shall involve essential follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising Company about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds, payment of STT on behalf of the Selling Shareholders and coordination with various agencies connected with the post-Offer activity such as Registrar to the Offer, Bankers to the Offer, Sponsor Bank, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for submission of all post-Offer reports including the final post-Offer report to SEBI, release of 1% security deposit post closure of the Offer	BRLMs	Kotak

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

As the Offer is an offer for sale of Equity Shares by the Selling Shareholder, there is no requirement to appoint a monitoring agency in relation to the Offer.

Appraising Entity

As the Offer is an offer for sale of Equity Shares by the Selling Shareholder, our Company will not receive any proceeds from the Offer. Accordingly, no appraising entity has been appointed for the Offer.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Debenture Trustees

As this is an Offer of Equity Shares, the appointment of debenture trustees is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from bidders on the basis of the Red Herring Prospectus and the Bid Cum Application Forms and the Revision Forms within the Price Band and the minimum Bid Lot, which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, and advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Gujarati daily newspaper, [●], (Gujarati being the regional language of Gujarat, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price and discount (if any), shall be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date. For details, see "*Offer Procedure*" on page 306.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the UPI Bidders shall participate through the ASBA

process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs, NIIs, Eligible Employees Bidding in the Employee Reservation Portion and the Anchor Investors, allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details, see "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" on pages 296, 302 and 306, respectively.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of each of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus . This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (in ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

The aforementioned underwriting commitments are indicative and will be finalised after the Offer Price is determined and allocation of Equity Shares in accordance with provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [●], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Red Herring Prospectus is set forth below:

(in ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price*
A	**AUTHORISED SHARE CAPITAL**[(1)]		
	110,000,000 Equity Shares (having face value of ₹ 1 each)	110,000,000	-
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	104,616,204 Equity Shares (having face value of ₹ 1 each)	104,616,204	-
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**[(2)(3)]		
	Offer for Sale of up to 20,925,652 Equity Shares	20,925,652	[●]
	Which includes:		
	Employee Reservation Portion of up to [●][(4)] Equity Shares	[●]	[●]
	Net Offer of up to [●] Equity Shares	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	104,616,204 Equity Shares (having face value of ₹ 1 each)	104,616,204	-
E	**SECURITIES PREMIUM ACCOUNT**		
	Before and after the Offer (*in million*)		819.71

** To be included upon finalisation of the Offer Price.*

(1) For details in relation to the changes in the authorised share capital of our Company in the last 10 years, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 159.

(2) The Selling Shareholder has confirmed and authorized its participation in the Offer for Sale. The Offer has been authorised by a resolution passed by our Board of Directors at their meeting held on May 24, 2022. Further, our Board has taken on record the approval for the Offer for Sale by the Selling Shareholder pursuant to its resolution dated August 8, 2022. For further details, see "Other Regulatory and Statutory Disclosures" on page 277.

(3) The Equity Shares being offered by the Selling Shareholder have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with the SEBI ICDR Regulations, and are otherwise eligible for being offered for sale pursuant to the Offer in accordance with the provisions of the SEBI ICDR Regulations. For details of authorisations for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 277.

(4) Eligible Employees Bidding in the Employee Reservation Portion must ensure that the maximum Bid Amount does not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.

Notes to the Capital Structure

1. Equity share capital history of our Company

The history of the Equity Share capital of our Company is set forth below:

Date of allotment of equity shares / Shareholders' resolution	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
November 24, 1984	Allotment pursuant to subscription to the Memorandum of Association	Cash	3	10	10	Allotment of one equity share each to Surendra Shah, Madhukant Shah and Indravadan Shah (as subscribers to the Memorandum of Association)
January 30, 1985	Rights issue	Cash	24,997	10	10	Allotment of 8,332 equity shares to Surendra Shah, 8,332 equity shares Madhukant Shah and 8,333 equity shares to Indravadan Shah
July 26, 1986	Preferential allotment	Cash	5,000	10	10	Allotment of 2,500 equity shares to Evid & Company Pesticides Private Limited and 2,500 equity shares to Hoechst India Limited
December 26, 1986	Rights issue	Cash	20,040	10	10	Allotment of 10,000 equity shares to Hoechst India Limited, 10,000 equity shares to Evid & Company Pesticides Private Limited, 20 equity shares to Indravadan Shah and 20 equity shares to Surendra Shah
March 6, 1990	Rights issue	Cash	33,040	10	10	Allotment of 17,000 equity shares to Evid and Company Chemicals Limited (previously known as Evid & Company Pesticides Private Limited), 10,000 equity shares to Instant Trading and Investment Company Limited, 5,000 equity shares to Triti Chem Limited and 1,040 equity shares to HUB Dyes and Chemicals Private Limited
January 18, 2001	Preferential allotment	Cash	9,231	10	10	Allotment of 8,307 equity shares to Anita Shad, 462 equity shares to Akansha Shad and 462 equity shares to Aastha Shad
August 5, 2001	Allotment pursuant to conversion of 10% redeemable preference shares and 12% redeemable preference shares of face value of ₹ 100 each	Cash[$]	1,061,154	10	50	Conversion of redeemable preference shares into 720,000 equity shares to Sudhir Vaid, 320,000 equity shares to Manju Vaid, 19,038 equity shares to Anita Shad, 1,058 equity shares to Akansha Shad, 1,058 equity shares to Aastha Shad
March 24, 2003	Preferential allotment	Cash	40,000	10	50	Allotment of 10,000 equity shares each to Maruti Infrastructure Limited, Ankush Holdings Limited, Step Securities Private Limited and Ankush Overseas Private Limited
July 17, 2004	Preferential allotment	Cash	150,000	10	10	Allotment of 150,000 equity shares to Sudman Consultants Private Limited (*now, Sudman Consultants LLP*)
	Preferential allotment	Cash	186,200	10	175	Allotment of 186,200 equity shares to Ontario

Date of allotment of equity shares / Shareholders' resolution	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
December 13, 2004			307,185		359.55	Allotment of 227,185 equity shares to Rakesh Jhunjhunwala, 25,000 equity shares to Amal Parikh, 14,500 equity shares to Ravindra Dharamshi 12,500 equity shares to Hemang Dharamshi, 5,000 equity shares to Sushiladevi Gupta, 5,000 equity shares to Rajeshkumar Jhunjhunwala (in the capacity of a trustee of Noopur Family Trust), 5,000 equity shares to Nipa Sheth, 5,000 equity shares to Pankaj Murarka, 2,100 equity shares to Devanathan Govindrajan, 2,000 equity shares to Prashant Desai, 1,500 equity shares to Navneet Sinha, 1,000 equity shares to Chetan Shah, 800 equity shares to Amit Shah, 600 equity shares to Ankush Musaddi
August 9, 2005	Preferential allotment	Cash	51,500[#]	10	10	Allotment of 10,000 equity shares to Dr. Pradeep Narula, 10,000 equity shares to Ravi Kapoor, 9,000 equity shares to Dr. Sudeep Kumar, 5,000 equity shares to Tripat Vaid, 2,000 equity shares to Rajendra Modi, 2,000 equity shares to Tapaskumar Saha, 2,000 equity shares to Ajendra Tyagi, 2,000 equity shares to Satyendra Jha, 2,000 equity shares to Narasimman Ganapathy, 2,000 equity shares to S.K. Sachdev, 1,000 equity shares to Sunil Swaminarayan, 1,000 equity shares to Prakash Sajnani, 500 equity shares to Chandrashekhar Chawan, 500 equity shares to Devang Bhatt, 500 equity shares to Mayur Kansara, 500 equity shares to Rajiv Kumar, 500 equity shares to Gaurang Patel, 500 equity shares to Surendra Ranawat, 500 equity shares to B.S.G. Venkat Rao
February 14, 2006	Preferential allotment	Cash	524,540	10	300	Allotment of 524,540 equity shares to Matrix Laboratories Limited
Pursuant to an investment agreement dated January 19, 2006 entered into among, *inter alia*, the Company, Sudhir Vaid and Matrix Laboratories Limited, 120,645 warrants were issued to Sudhir Vaid, which were exercisable into 120,645 equity shares of face value of ₹ 10 each, pursuant to a resolution passed in the AGM dated July 31, 2008.						
March 27, 2009	Allotment of equity shares pursuant to conversion of warrants	Cash*	120,645	10	100	Allotment of 120,645 equity shares to Sudhir Vaid
December 4, 2009	Buyback of equity shares	Cash	232,237	10	873	Bought back 232,237 equity shares from Rekha Jhunjhunwala
November 1, 2010	Bonus issue in the ratio of 1:1	N.A.	2,301,298	10	N.A.	Allotment of 687,421 equity shares to Sudhir Vaid, 15,080 equity shares jointly to Ankur Vaid and Megha Vaid, 2000 equity shares to Anita Kumari, 14,182 equity shares jointly to Megha Vaid and Ankur Vaid, 20 equity shares to Sonal Kumra, 228,736 equity shares to Manju Vaid, 216,000 equity shares to Sudman Consultants Private Limited (*now, Sudman Consultants LLP*), 128,194 equity shares to Ontario, 392,449 equity shares to Rakesh

Date of allotment of equity shares / Shareholders' resolution	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
						Jhunjhunwala, 6,985 equity shares jointly to Hemang Dharamshi and Harsha Dharamshi, 59,647 equity shares jointly to Ravindra Dharamshi and Raichand Dharamshi, 1,022 equity shares to Amit Shah, 4,038 equity shares to Devnathan Govindrajan, 840 equity shares to Navneet Sinha, 1,120 equity shares to Prashant Desai, 11,959 equity shares to Sushiladevi Gupta, 2,795 equity shares to Noopur Family Trust, 2,795 equity shares to Nipa Sheth, 2,795 equity shares to Pankaj Murarka, 335 equity shares to Ankush Mussaddi, 560 equity shares to Chetan Shah, 59,790 equity shares to Amal Parikh, 2,000 equity shares to Rajendra Modi, 2,000 equity shares to Tapaskumar Saha, 2,000 equity shares to Ajendra Tyagi, 500 equity shares to B.S.G. Rao, 500 equity shares to Gaurang Patel, 1,000 equity shares to Sunil Swaminarayan, 10,000 equity shares jointly to Ravi Kapoor and Nisha Kapoor, 1,000 equity shares to Prakash Sajnani, 500 equity shares to Mayur Kansara, 500 equity shares to Devang Bhatt, 5,000 equity shares to Tripat Vaid, 500 equity shares to Chandrashekhar Chawan, 2,850 equity shares to Amitabh Sonthalia, 2,119 equity shares to Manish Gupta, 308,166 equity shares to Rekha Jhunjhunwala, 2,863 equity shares to Amit Goela, 11,454 equity shares to Rajeshkumar Jhunjhunwala, 5,727 equity shares jointly to Satish Khanna and Shobhna Khanna, 3,009 equity shares to Vishal Gupta, 55,295 equity shares to Prembala Singh, 2,000 equity shares jointly to Colvyn Harris and Deepa Harris, 11,145 equity shares jointly to Niraj Dalal and Sadhana Dalal, 1,000 equity shares to Om Prakash, 28,637 equity shares to Abhigam Shares and Securities Private Limited, 1,718 equity shares to Ushma Sheth, 572 equity shares to Nirbhay Mahawar, 1,145 equity shares to Nilesh Shah, 458 equity shares to Kavita Agarwal, 5,727 equity shares to Rajiv Agarwal, 2,291 equity shares to Naresh Kumar Gupta and 859 equity shares to Gaurav Gupta
November 25, 2013	Bonus issue in the ratio of 1:1	N.A.	4,602,596	10	N.A.	Allotment of 1,374,842 equity shares jointly to Sudhir Vaid and Manju Vaid, 30,160 equity shares jointly to Ankur Vaid and Megha Vaid, 28,364 equity shares jointly to Megha Vaid and Ankur Vaid, 1,720 equity shares to Sonal Kumra, 457,472 equity shares jointly to Manju Vaid and Sudhir Vaid, 432,000 equity shares to Sudman Consultants LLP, 256,338 equity shares to Ontario, 791,426 equity shares to Rakesh Jhunjhunwala, 13,970 equity shares jointly to Hemang Dharamshi and Harsha Dharamshi, 199,294 equity shares jointly to Ravindra Dharamshi and Raichand Dharamshi, 2,044 equity shares to Amit Shah, 8,076 equity shares to Devnathan Govindrajan, 4,000 equity shares to

Date of allotment of equity shares / Shareholders' resolution	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
						Anita Kumari, 2,240 equity shares to Prashant Desai, 23,918 equity shares to Sushiladevi Gupta, 5,590 equity shares to Noopur Family Trust, 5,590 equity shares to Nipa Sheth, 5,590 equity shares to Pankaj Murarka, 670 equity shares to Ankush Mussaddi, 1,120 equity shares to Chetan Shah, 119,580 equity shares to Amal Parikh, 4,000 equity shares to Rajendra Modi, 4,000 equity shares to Tapaskumar Saha, 4,000 equity shares to Ajendra Tyagi, 1,000 equity shares to B.S.G. Rao, 1,000 equity shares to Gaurang Patel, 2,000 equity shares to Sunil Swaminarayan, 20,000 equity shares jointly to Ravi Kapoor and Nisha Kapoor, 2,000 equity shares to Prakash Sajnani, 1,000 equity shares to Mayur Kansara, 1,000 equity shares to Devang Bhatt, 10,000 equity shares to Tripat Kanta Vaid, 1,000 equity shares to Chandrashekhar Chawan, 5,700 equity shares to Amitabh Sonthalia, 618,050 equity shares to Rekha Jhunjhunwala, 5,726 equity shares to Amit Goela, 22,908 equity shares to Rajeshkumar Jhunjhunwala, 11,454 equity shares jointly to Satish Khanna and Shobhna Khanna, 6,018 equity shares to Vishal Gupta, 110,590 equity shares to Prembala Singh, 4,000 equity shares jointly to Colvyn Harris and Deepa Harris, 2,000 equity shares to Om Prakash, 57,274 equity shares to Abhigam Shares and Securities Private Limited, 3,436 equity shares to Ushma Sheth, 1,144 equity shares to Nirbhay Mahawar, 2,290 equity shares to Nilesh Shah, 916 equity shares to Kavita Agarwal, 11,454 equity shares to Rajiv Agarwal and 4,582 equity shares to Naresh Kumar Gupta
July 5, 2016	Preferential allotment	Cash	305,372	10	2,498.59	Allotment of 305,372 equity shares to Helix
July 8, 2022	Pursuant to a resolution of our Board passed in their meeting held on May 24, 2022 and a resolution of our Shareholders passed in their EGM held on July 8, 2022, each fully paid up equity share of face value of ₹ 10 of our Company, was sub-divided into equity share of face value ₹ 1 each, and accordingly, 9,510,564 equity shares of our Company of face value ₹ 10 each were sub-divided into 95,105,640 Equity Shares (of face value of ₹ 1 each).					
July 11, 2022	Bonus issue in the ratio of 1:10	N.A.	9,510,564	1	N.A.	Allotment of 183,929 Equity Shares to Amal Parikh, 105,803 Equity Shares to Chanakya Corporate Services Private Limited, 907,944 Equity Shares jointly to Manju Vaid and Sudhir Vaid, 2,742,684 Equity Shares jointly to Sudhir Vaid and Manju Vaid, 20,000 Equity Shares jointly to Ravi Kapoor and Nisha Kapoor, 49,728 Equity Shares jointly to Megha Vaid and Ankur Vaid, 53,320 Equity Shares jointly to Ankur Vaid and Megha Vaid, 6,720 Equity Shares to Sonal Kumra, 432,000 Equity Shares to Sudman Consultants LLP, 10,000 Equity Shares to Rakesh Jhunjhunwala, 10,000 Equity Shares to Rekha Jhunjhunwala, 763,614 Equity Shares to Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees), 763,614 Aryaman Jhunjhunwala

Date of allotment of equity shares / Shareholders' resolution	Nature of allotment	Nature of consideration	Number of equity shares	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Name of allottees/ shareholder
						Discretionary Trust (acting through its trustees), 763,612 Equity Shares to Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees), 16 Equity Shares to Rajeshkumar Jhunjhunwala, 15,946 Equity Shares to Nishtha Jhunjhunwala, 15,945 Equity Shares to Aryaman Jhunjhunwala, 15,945 Equity Shares to Aryavir Jhunjhunwala, 5,657 Equity Shares to Nipa Sheth, 512,776 Equity Shares to Ontario, 1,902,332 Equity Shares to Helix, 3,436 Equity Shares to Ushma Sule, 183,357 Equity Shares jointly to Ravindra Dharamshi and Rupali Dharamshi, 11,862 Equity Shares to Rajiv Agarwal, 2,000 Equity Shares to Prakash Sajnani, 1,000 Equity Shares to Chandrashekhar Chawan, 2,000 Equity Shares to Rajendra Modi, 2,000 Equity Shares to Tapaskumar Saha, 2,000 Equity Shares to Ajendra Tyagi, 2,000 Equity Shares to Sunil Swaminarayan, 1,000 Equity Shares to Mayur Kansara, 1,000 Equity Shares to Devang Bhatt, 8.000 Equity Shares to Tripat Vaid, 2,000 Equity Shares to Shilpi Vaid, 2,000 Equity Shares to Raksha Modi, 324 Equity Shares jointly to Hemang Dharamshi and Harsha Dharamshi, 2,000 Equity Shares to Rashmi Saha, 2,000 Equity Shares to Manju Tyagi, 100 Equity Shares to Anand Dhiman, 100 Equity Shares to Devendra Patel, 100 Equity Shares to Dhvanil Mehta, 100 Equity Shares to Mahalaka Merchant, 100 Equity Shares to Mukesh Bhalala, 100 Equity Shares to Niraj Bhatt, 100 Equity Shares to Prashant Dalal, 100 Equity Shares to Satyendra Jha, 100 Equity Shares to Bhupendrakumar Shah, 100 Equity Shares to Vinkal Zalavadiya

[#] *The equity shares were allotted to the employees of our Company jointly with Sudman Consultants Private Limited (now, Sudman Consultants LLP).*

** The price was paid at the time of issuance of warrants.*

[$] *The price was paid at the time of allotment of preference shares.*

2. Preference share capital history of our Company

Date of allotment of preference shares	Nature of allotment	Nature of consideration	Number of preference shares	Face value per preference share (in ₹)	Issue price per preference share (in ₹)	Name of allottees/ shareholder
June 28, 1994	Rights issue	Cash	200,000	100	100	Allotment of 57,780 preference shares to Pen Investments Limited, 55,360 preference shares to PVT Investment Limited, 48,140 preference shares to Utility Investments Limited and 38,720 preference shares to Pivet Finances Limited
May 10, 2000	Preferential allotment	Cash	320,000	100	100	Allotment of 320,000 preference shares to Max GB Limited
January 18, 2001	Preferential allotment	Cash	10,577	100	100	Allotment of 9,519 preference shares to Anita Shad, 529 preference shares to Akansha Shad, 529 preference shares to Aastha Shad
August 5, 2001	Conversion of 530,577 redeemable preference shares of face value of ₹ 100 each into 1,061,154 equity shares of face value of ₹ 10 each (excluding a premium of ₹ 40 per equity share).					

Our Company does not have any preference share capital as on the date of this Draft Red Herring Prospectus.

3. Equity Shares issued for consideration other than cash or by way of bonus issue or out of revaluation reserves

Our Company has not issued Equity Shares out of revaluation reserves. Further, except as disclosed below, our Company has not issued Equity Shares through bonus issue or for consideration other than cash.

Date of allotment*	Number of equity shares allotted	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Reason for allotment	Benefits accrued to our Company
November 1, 2010	2,301,298	10	-	Bonus issue in the ratio of 1:1	-
November 25, 2013	4,602,596	10	-	Bonus issue in the ratio of 1:1	-
July 11, 2022	9,510,564	1	-	Bonus issue in the ratio of 1:10	-

** For details on name of allottees, see " – Notes to the capital structure – Equity share capital history of our Company" on page 71.*

4. Issue of Equity Shares under Section 391 to 395 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act

Our Company has not allotted any Equity Shares pursuant to any scheme approved under Section 391 to 395 of the Companies Act, 1956 and Sections 230 to 234 of the Companies Act.

5. Issue of Equity Shares under employee stock option schemes

Our Company has not issued any Equity Shares under the ESOP Scheme.

6. Equity Shares issued in the preceding one year below the Offer Price

Except for the allotment of 9,510,564 Equity Shares pursuant to a bonus issue to all the Shareholders, as decided by our Board pursuant to a resolution dated May 24, 2022 and our Shareholders pursuant to its resolution dated July 8, 2022, our Company has not issued any equity shares at a price which is lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

For details, see " – *Notes to the Capital Structure – Equity share capital history of our Company*" on page 71.

7. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	Promoters and Promoter Group	6	46,116,356	-	-	46,116,356	44.08	46,116,356	-	46,116,356	44.08	-	-	-		-		46,116,356
(B)	Public	42	58,499,848	-	-	58,499,848	55.92	58,499,848	-	58,499,848	55.92	-	-	-			N.A.	58,499,848
I	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-			N.A.	-
(C1)	Shares underlying depository receipts	-	-	-	-	-	-	-	-	-	-	-	-	-			N.A.	-
(C2)	Shares held by employee trusts	-	-	-	-	-	-	-	-	-	-	-	-	-			N.A.	-
	Total	**48**	**104,616,204**	**-**	**-**	**104,616,204**	**100.00**	**104,616,204**	**-**	**104,616,204**	**100.00**	**-**	**-**	**-**		**-**		**104,616,204**

8. Details of equity shareholding of the major Shareholders of our Company

a) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares (of face value of ₹ 1 each)	Percentage of the Equity Share capital (%)
1.	Sudhir Vaid (Jointly with Manju Vaid)	30,169,524	28.84
2.	Helix	20,925,652	20.00
3.	Manju Vaid (Jointly with Sudhir Vaid)	9,987,384	9.55
4.	Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,754	8.03
5.	Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,754	8.03
6.	Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,732	8.03
7.	Ontario	5,640,536	5.39
8.	Sudman Consultants LLP	4,752,000	4.54
9.	Amal Parikh	2,023,219	1.93
10.	Ravindra Dharamshi (Jointly with Rupali Dharamshi)	2,016,927	1.93
11.	Chanakya Corporates Services Private Limited	1,163,833	1.11
	Total	**101,878,315**	**97.38**

b) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on 10 days prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of Equity Shares (of face value of ₹ 1 each)	Percentage of the Equity Share capital (%)
1.	Sudhir Vaid (Jointly with Manju Vaid)	30,169,524	28.84
2.	Helix	20,925,652	20.00
3.	Manju Vaid (Jointly with Sudhir Vaid)	9,987,384	9.55
4.	Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,754	8.03
5.	Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,754	8.03
6.	Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees)	8,399,732	8.03
7.	Ontario	5,640,536	5.39
8.	Sudman Consultants LLP	4,752,000	4.54
9.	Amal Parikh	2,023,219	1.93
10.	Ravindra Dharamshi (Jointly with Rupali Dharamshi)	2,016,927	1.93
11.	Chanakya Corporates Services Private Limited	1,163,833	1.11
	Total	**101,878,315**	**97.38**

c) Set forth below is a list of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company, as on one year prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the equity share capital (%)
1.	Sudhir Vaid (Jointly with Manju Vaid)	2,742,684	28.84
2.	Helix	1,902,332	20.00
3.	Manju Vaid (Jointly with Sudhir Vaid)	907,944	9.55
4.	Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees)	763,614	8.03
5.	Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)	763,614	8.03

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the equity share capital (%)
6.	Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees)	763,612	8.03
7.	Ontario	512,776	5.39
8.	Sudman Consultants LLP	432,000	4.54
9.	Amal Parikh	183,929	1.93
10.	Ravindra Dharamshi (Jointly with Rupali Dharamshi)	183,357	1.93
11.	Calculus Financial Consultants Private Limited	105,803	1.11
	Total	**9,261,665**	**97.38**

d) Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, as on two years prior to the date of this Draft Red Herring Prospectus:

	Name of the Shareholder	Pre-Offer	
		Number of equity shares (of face value of ₹ 10 each)	Percentage of the Equity Share capital (%)
1.	Sudhir Vaid (Jointly with Manju Vaid)	2,742,684	28.84
2.	Helix	1,902,332	20.00
3.	Manju Vaid (Jointly with Sudhir Vaid)	907,944	9.55
4.	Aryaman Jhunjhunwala Discretionary Trust (acting through its trustees)	763,614	8.03
5.	Nishtha Jhunjhunwala Discretionary Trust (acting through its trustees)	763,614	8.03
6.	Aryavir Jhunjhunwala Discretionary Trust (acting through its trustees)	763,612	8.03
7.	Ontario	512,776	5.39
8.	Sudman Consultants LLP	432,000	4.54
9.	Amal Parikh	183,929	1.93
10.	Ravindra Dharamshi (Jointly with Rupali Dharamshi)	183,357	1.93
11.	Chanakya Corporate Services Private Limited	105,803	1.11
	Total	**9,261,665**	**97.38**

9. History of the Equity Share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters, i.e. Sudhir Vaid (Jointly with Manju Vaid) and Ankur Vaid (Jointly with Megha Vaid) in aggregate hold 30,756,044 Equity Shares, representing 29.40% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding our Promoters' shareholding is set forth below.

a) Build-up of Promoters' equity shareholding in our Company

The build-up of the equity shareholding of our Promoters since incorporation of our Company is set forth below.

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
Sudhir Vaid							
May 10, 2000	Transfer from PVT Investment Limited	23,000	Cash	10	4.56	0.22	[●]
May 10, 2000	Transfer from Pen Investment Ltd	24,000	Cash	10	4.56	0.23	[●]
August 5, 2001	Conversion of redeemable preference shares	720,000	Other than cash[#]	10	50.00	6.88	[●]

Date of allotment/ transfer	Nature of transaction	Number of equity shares allotted/ transferred	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of fully diluted post- Offer capital (%)
November 21, 2004	Transfer to Rakesh Jhunjhunwala	(27,815)	Cash	10	175.00	(0.27)	[●]
January 22, 2005	Transfer to Ontario	(43,250)	Cash	10	175.00	(0.41)	[●]
December 24, 2005	Transfer to Matrix Laboratories Limited	(238,255)	Cash	10	523.47	(2.28)	[●]
March 27, 2009	Allotment of equity shares pursuant to conversion of warrants	120,645	-	10	100.00	1.15	[●]
December 4, 2009	Transfer from Matrix Laboratories Limited	109,096	Cash	10	872.98*	1.04	[●]
November 1, 2010	Allotment pursuant to bonus issue in the ratio of 1:1	687,421	-	10	-	6.57	[●]
November 25, 2013	Allotment pursuant to bonus issue in the ratio of 1:1	1,374,842	-	10	-	13.14	[●]
July 5, 2016	Transfer to Helix	(7,000)	Cash	10	2,498.59	(0.07)	[●]
July 8, 2022	Pursuant to a resolution passed by our Shareholders on July 8, 2022, each fully paid up equity share of face value ₹10 each was sub-divided into 10 equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of Sudhir Vaid was changed from 2,742,684 equity shares of face value ₹ 10 each to 27,426,840 Equity Shares of face value of ₹ 1 each.						
July 11, 2022	Allotment pursuant to bonus issue in the ratio of 1:10	2,742,684	-	1	-	2.62	[●]
Sub-Total (A)		**30,169,524**				**28.84**	[●]
Ankur Vaid							
May 10, 2000	Transfer from Pivet Finances Limited	12,040	Cash	10	4.56	0.12	[●]
May 21, 2009	Transfer from Akansha Shad	1,520	Cash	10	425.00	0.01	[●]
May 21, 2009	Transfer from Aastha Shad	1,520	Cash	10	425.00	0.01	[●]
November 1, 2010	Allotment pursuant to bonus issue in the ratio of 1:1	15,080	-	10	-	0.14	[●]
November 25, 2013	Allotment pursuant to bonus issue in the ratio of 1:1	30,160	-	10	-	0.29	[●]
July 5, 2016	Transfer to Helix	(7,000)	Cash	10	2,498.59	(0.07)	[●]
July 8, 2022	Pursuant to a resolution passed by our Shareholders on July 8, 2022, each fully paid up equity share of face value ₹10 each was sub-divided into 10 equity share of face value ₹ 1 each, accordingly, the cumulative number of equity shares of Sudhir Vaid was changed from 53,320 equity shares of face value ₹ 10 each to 533,200 Equity Shares of face value of ₹ 1 each.						
July 11, 2022	Allotment pursuant to bonus issue in the ratio of 1:10	53,320	-	1	-	0.05	[●]
Sub-Total (B)		**586,520**				**0.56**	[●]
Total (A+B)		**30,756,044**				**29.40**	[●]

 # The price was paid at the time of allotment of preference shares

** The transfer of the equity shares was undertaken at a price of US$ 18.84 per equity share. The transfer price has been included on the basis of conversion rate of 1 US$ = INR 46.33.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment of such Equity Shares. As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are subject to any pledge.

b) Shareholding of our Promoters and Promoter Group

The details of shareholding of our Promoters, and the Promoter Group (other than our Promoters) as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name of the shareholder	Pre-Offer number of Equity Shares	Percentage of the pre-Offer Equity share capital (%)	Post-Offer number of Equity Shares	Percentage of the post-Offer Equity Share capital (%)
Promoters					
1.	Sudhir Vaid (Jointly with Manju Vaid)	30,169,524	28.84	[●]	[●]
2.	Ankur Vaid (Jointly with Megha Vaid)	586,520	0.56	[●]	[●]
Sub-Total (A)		**30,756,044**	**29.40**	[●]	[●]
Promoter Group					
1.	Manju Vaid (Jointly with Sudhir Vaid)	9,987,384	9.55	[●]	[●]
2.	Megha Vaid (Jointly with Ankur Vaid)	547,008	0.52	[●]	[●]
3.	Sonal Kumra	73,920	0.07	[●]	[●]
4.	Sudman Consultants LLP	4,752,000	4.54	[●]	[●]
	Sub-Total (B)	**15,360,312**	**14.68**	**[●]**	**[●]**
	Total (A+B)	**46,116,356**	**44.08**	**[●]**	**[●]**

10. Details of Promoters' Contribution and Lock-in

a) In accordance with Regulation 14 and Regulation 16(1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations, as minimum promoters' contribution from the date of Allotment ("**Promoters' Contribution**"), and our Promoters' shareholding in excess of 20% of the post-Offer equity share capital shall be locked in for a period of six months from the date of Allotment.

b) The details of the Equity Shares to be locked-in for a period of 18 months, or such other period as prescribed under the SEBI ICDR Regulations from the date of Allotment as Promoters' Contribution are set forth in the table below:

Name of Promoter	Number of equity shares locked-in[(1)(2)]	Date of allotment/ transfer	Nature of transaction	Face value per equity share (₹)	Issue/ acquisition price per equity share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share capital*	Date up to which the equity shares are subject to lock in
Sudhir Vaid	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Ankur Vaid	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

** Subject to finalisation of the Basis of Allotment.*

(1) For a period of 18 months or such other period as prescribed under SEBI ICDR Regulations from the date of Allotment.

(2) All Equity Shares were fully paid-up at the time of Allotment.

Our Promoters have given their consent to include such number of Equity Shares held by them as disclosed above, constituting 20% of the post-Offer equity share capital of our Company as Promoters' Contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Promoters' Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

c) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *History of the Equity Share capital held by our Promoters*" on page 79.

In this connection, we confirm that the Equity Shares considered as Promoters' Contribution:

(i) have not been acquired during the immediately preceding three years from the date of this Draft Red Herring Prospectus for consideration other than cash, involving any revaluation of assets or capitalisation of intangible assets;

(ii) did not result from a bonus issue during the immediately preceding three years from the date of this Draft Red Herring Prospectus, by utilisation of revaluation reserves or unrealised profits of the Company, or from bonus issue against Equity Shares which are otherwise ineligible for Promoters' Contribution;

(iii) are not acquired or subscribed to during the immediately preceding year from the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and

(iv) are not subject to any pledge or any other encumbrance.

All Equity Shares held by our Promoters are held in dematerialized form.

Further, our Company has not been formed by conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

11. Details of Equity Shares locked-in for six months:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for a period of 18 months as specified above, in terms of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, and any other categories of shareholders exempted under Regulation 17 of the SEBI ICDR Regulations, as applicable.

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to another promoter or another members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in; in the hands of the transferees for the remaining period and in compliance with the SEBI Takeover Regulations, as applicable. Such transferees are not eligible to transfer such transferred Equity Shares till the expiry of the lock-in period.

Pursuant to Regulation 21(a) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in for a period of 18 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that such loans have been granted by such bank or institution for the purpose of financing one or more of the objects of the Offer and pledge of the Equity Shares is a term of sanction of such loans, which is not applicable in the context of this Offer.

Pursuant to Regulation 21(b) of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of 6 months from the date of Allotment may be pledged as collateral security for loans granted by scheduled commercial banks, public financial institutions, NBFC-SI or housing finance companies, provided that pledge of the Equity Shares is one of the terms of sanction of such loans.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of transferees for the remaining period and

compliance with the SEBI Takeover Regulations. Such transferees shall not be eligible to transfer until the expiry of the lock -in period and compliance with the Takeover Regulations.

12. Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors

Fifty percent of the Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

13. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or otherwise.

14. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

15. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders of our Company is 48.

16. Our Promoters, any member of our Promoter Group, any of the Directors of our Company and their relatives, have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

17. There have been no financing arrangements whereby members of our Promoter Group, our Directors and their relatives, have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

18. Neither our Company, nor any of our Directors have entered into any buy-back arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back arrangements for purchase of Equity Shares from any person.

19. There are no partly paid-up Equity Shares as on the date of Draft Red Herring Prospectus, and all the Equity Shares transferred pursuant to the Offer will be fully paid-up at the time of Allotment.

20. Our Promoters and Promoter Group shall not participate in the Offer.

21. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, the Directors, members of our Promoter Group and the Promoters, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

22. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

23. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

24. Our Company shall ensure that all transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transactions.

25. As on the date of this Draft Red Herring Prospectus, our Company does not have any scheme pertaining to employees' stock options.

OBJECTS OF THE OFFER

The objects of the Offer are to (i) achieve the benefits of listing the Equity Shares on the Stock Exchanges; and (ii) carry out the Offer for Sale of up to 20,925,652 Equity Shares by the Selling Shareholder. Further, our Company expects that the proposed listing of its Equity Shares will enhance our visibility and brand image as well as provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer. For details of Offered Shares from the Selling Shareholder, see "*The Offer*" on page 55.

Offer Expenses

The Offer expenses are estimated to be approximately ₹ [●] million. Other than (a) listing fees payable to the Stock Exchanges which will be borne by the Company, (b) audit fees of statutory auditors (to the extent not attributable to the Offer) which will be borne by the Company, (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Company, (d) fees and expenses in relation to the legal counsel to the Selling Shareholder which shall be borne by the Selling Shareholder and (e) fees and expenses payable to Lead Managers, which will be payable in accordance with the Offer Agreement, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be paid first by the Company and shall be reimbursed by the Selling Shareholder in accordance with the Applicable Laws, upon completion of the Offer.

The expenses directly attributable to the portion with regard to Offer for Sale shall be borne by the Selling Shareholder and the estimated expenses will be deducted from the Offer proceeds, as appropriate, and only the remaining amount will be paid to the Selling Shareholder, in accordance with Section 28(3) of the Companies Act.

The break-up for the Offer expenses is as follows:

Activity	Estimated expenses[(1)] (in ₹million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
Book Running Lead Managers' fees including underwriting commission	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs [(2)(3)(4)(5)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Others	[●]	[●]	[●]
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and distribution of issue stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*

(2) *Selling commission payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:*

*Portion for RIBs**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	*[●]% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[●]% of the Amount Allotted (plus applicable taxes)*

** Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*
Selling Commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

(3) *No processing fees shall be payable by our Company and the Selling Shareholder to the SCSBs on the applications directly procured by them.*
Processing fees payable to the SCSBs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

*Portion for RIBs**	*₹[●] per valid application (plus applicable taxes)*
Portion for Eligible Employees	*₹[●] of the Amount Allotted (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[●] per valid application (plus applicable taxes)*

** The processing fees for applications made by the UPI Bidders using the UPI Mechanism may be released to the SCSBs only after such SCSBs provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

(4) *Selling commission on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

Portion for RIBs	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Eligible Employees	*[●]% of the Amount Allotted* (plus applicable taxes)*
Portion for Non-Institutional Bidders	*[●]% of the Amount Allotted* (plus applicable taxes)*

* *Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.

Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.
The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.

Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs, Eligible Employees and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for RIBs**	*₹[●] per valid application (plus applicable taxes)*
*Portion for Eligible Employees**	*₹[●] of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹[●] per valid application (plus applicable taxes)*

* *Based on valid applications*

Processing fees for applications made by RIBs using the UPI Mechanism would be as under:

Members of the Syndicate / RTAs / CDPs	*₹[●] per valid application (plus applicable taxes)*
Sponsor Bank	*₹[●] per valid application (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

Monitoring Utilization of Funds

Since the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, our Company is not required to appoint a monitoring agency for the Offer.

Other confirmations

There is no arrangement whereby any portion of the Offer proceeds will be paid to our Promoters, Promoter Group, Directors, Key Managerial Personnel or our Group Company.

BASIS FOR OFFER PRICE

The Offer Price and discount (if any) will be determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 131, 188 and 246, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Established presence across the complex fermentation value chain;
- Global leadership in immunosuppressant APIs along with a wide spectrum of complex fermentation-based APIs across multiple therapeutic areas;
- Scaled manufacturing facilities with a consistent regulatory compliance track record and supported by strong R&D capabilities;
- Diversified global customer base with long-standing relationships with key customers;
- Experienced Promoters, management team supported by marquee investors;
- Financial track record of rapid growth and consistent profitability with healthy cash flows and strong shareholder returns

For further details, see "*Our Business –Our Strengths*" on page 134.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Information. Pursuant to a resolution of our Board dated May 24, 2022 and pursuant to the special resolution passed by our shareholders dated July 8, 2022, each equity share of face value of ₹10 each was sub-divided into 10 equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up capital of our Company was sub-divided from 9,510,564 equity shares of face value of ₹ 10 each to 95,105,640 equity shares of face value of ₹1 each.

Sub-division of shares are retrospectively considered for the computation of EPS in accordance with Ind AS 33 for all periods presented and for the computation of Net Asset Value per share for all periods presented. The Board of Directors pursuant to a resolution dated May 24, 2022 and the special resolution dated July 8, 2022 passed by our Shareholders, have approved the issuance of 9,510,564 bonus Equity Shares in the ratio of one Equity Shares for every ten existing fully paid up Equity Share which were issued and allotted on July 11, 2022.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Information:

Financial Period	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
Financial Year 2022	16.72	16.72	3
Financial Year 2021	22.45	22.45	2
Financial Year 2020	16.17	16.17	1
Weighted Average	**18.54**	**18.54**	**-**

Notes:

(1) *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The figures disclosed above are based on the Restated Consolidated Financial Information of our Company.*

(2) *Earning Per Share (Basic) = Restated net profit after tax, available for equity shareholders/Weighted average number of equity shares outstanding during the period/year.*

(3) *Earning Per Share (Diluted) = Restated profit for the period/year / Weighted average number of diluted potential equity shares outstanding during the period/year.*

(4) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Consolidated Financial Information as appearing in Restated Consolidated Financial Information.*

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on Basic EPS for Financial Year 2022	[●]	[●]
Based on Diluted EPS for Financial Year 2022	[●]	[●]

Industry P/E ratio

	P/E Ratio
Highest	56.44
Lowest	26.95
Industry Composite	38.65

Notes:

(1) *The industry high and low has been considered from the industry peer set. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.*

(2) *P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 8, 2022, divided by the Diluted EPS.*

3. Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Information of our Company:

Particulars	RoNW%	Weight
Financial Year 2022	16.64%	3
Financial Year 2021	26.55%	2
Financial Year 2020	23.28%	1
Weighted Average	21.05%	-

Notes:

(1) Return on Net worth (%) = Restated net profit after tax / Restated average net worth at the end of the period/year

(2) Net worth means the aggregate value of the paid-up share capital and all reserves 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, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

4. Net Asset Value per Equity Share of face value of ₹ 1 each

Net Asset Value per Equity Share	(₹)
As on March 31, 2022*	105.45
After the Offer	At Floor Price: [●]
	At Cap Price: [●]
Offer Price	[●]

** Sub-division of Equity Shares and bonus Equity Shares are retrospectively considered for the computation of Net Asset Value per share for all periods presented.*

Notes:

Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.

5. Comparison of accounting ratios with listed industry peers

Name of the company	Face Value (₹ per share)	Revenue from operations for Financial Year 2022 (₹ million)	Basic EPS for Financial Year 2022 (₹)	Diluted EPS for Financial Year 2022 (₹)	P/E	RONW for Financial Year 2022 (%)	NAV as at March 31, 2022 (₹)
Our Company	1	7,129.33	16.72	16.72	[●]	16.64%	105.45
Listed Peers							
Divi's Laboratories Limited	2	89,598.30	111.52	111.52	35.31	25.24%	441.79
Suven Pharmaceuticals Limited	1	13,202.22	17.83	17.83	26.95	29.72%	59.99
Laurus Labs Limited	2	49,355.70	15.42	15.35	35.90	24.78%	62.51
Shilpa Medicare Limited	1	11,455.23	7.26	7.26	56.44	3.34%	208.65

1) Basic and Diluted EPS for peers are sourced from the audited financial statements for the Financial Year 2022, whereas for our Company it is based on the Restated Consolidated Financial Information of Company. For our Company, sub-division of Equity Shares and the bonus issue of Equity Shares are retrospectively considered for the computation of EPS for all the periods presented.

2) P/E Ratio has been computed based on the closing market price of equity shares on NSE on August 8, 2022, divided by the Diluted EPS.

3) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest, to the extent applicable) divided by Total Equity as on March 31, 2022. For our Company, Return on Net worth (%) = Restated net profit after tax / Restated average net worth at the end of the period/year.

4) NAV is computed as the Total Equity (including non-controlling interest) divided by the outstanding number of equity shares as on March 31, 2022. For our Company, sub-division of Equity Shares and the bonus issue of Equity Shares are retrospectively considered for the computation of Net Asset Value per share for all periods presented.

6. The Offer price is [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Bidders should read the above-mentioned information along with "*Risk Factors*", "*Our Business*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 27, 131, 188 and 246, respectively, to have a more informed view. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" beginning on page 27 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CONCORD BIOTECH LIMITED ("THE COMPANY") AND THE SHAREHOLDERS OF THE COMPANY UNDER THE DIRECT AND INDIRECT TAX LAWS IN INDIA

August 12, 2022
To,
The Board of Directors,
Concord Biotech Limited
1482-86 Trasad Road,
Dholka, Ahmedabad-382225
Gujarat, India

Sub: Statement of possible Special Tax Benefits (the "Statement") available under the Direct and Indirect Tax laws to Concord Biotech Limited (the "Company") and its Shareholders, prepared in accordance with the requirements under Para 9 (L) of Part A under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended

We refer to the proposed initial public offering of the equity shares of the Company. We enclose herewith the statement (the 'Annexure') showing the current position of special tax benefits available to the Company and to its shareholders as per the provisions of the Indian Direct and Indirect tax laws including the Income-tax Act, 1961 (**"the IT ACT"**), the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 (collectively the **"GST Act"**), the Customs Act, 1962 (**"Customs Act"**) and the Customs Tariff Act, 1975 (**"Tariff Act"**) (collectively the **"Taxation Laws"**) including the rules, regulations, circulars and notifications issued in connection with the Taxation Laws, as presently in force in India and applicable to the assessment year 2023-24 relevant to the financial year 2022-23 for inclusion in the Draft Red Herring Prospectus (the "**DRHP**") for the proposed initial public offering of shares of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**"ICDR Regulations"**).

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Direct and Indirect Tax Laws. Hence, the ability of the Company or its shareholders to derive these possible special income-tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the near future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are neither exhaustive not conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company. The Annexure covers only possible special Direct and Indirect Tax benefits available 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. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares (the "**Proposed Offer**") by the Company, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither we are suggesting nor advising the investor to invest money based on this Statement.

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

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

ii) the conditions prescribed for availing the possible special tax benefits have been/would be met with; or

iii) The revenue authorities/courts will concur with the views expressed herein.

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

We hereby give our consent to include this statement and the Annexure regarding the special tax benefits available to the Company and the Shareholders of the Company in the DRHP for the Proposed Offer which the Company intends to submit to the Securities and Exchange Board of India, the Registrar of Companies, Gujarat at Ahmedabad and the stock exchanges where the equity shares of the Company are proposed to be listed, provided that the below statement of limitation is included in the DRHP.

LIMITATIONS

Our views expressed in the Annexure enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the Annexure is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue and third parties relying on the Annexure.

This statement has been prepared solely in connection with the Proposed Offer under the ICDR Regulation

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Registration Number: 117365W

Hardik Sutaria
Partner
Membership No. 116642
Place: Ahmedabad
Date: August 12, 2022
UDIN: 22116642AOVXFT5036

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO CONCORD BIOTECH LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible direct and indirect tax benefits available to the Company and its shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the equity shares of the Company ("**Equity Shares**"), under the current tax laws presently in force in India.

The statement below covers only relevant special direct and indirect tax law benefits and does not cover benefits under any other law.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENT AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

A. Special Income-tax benefits to the Company

There are no special tax benefits available to the company under the provisions of the IT Act.

B. Special Income-tax benefits available to Shareholders

There are no special tax benefits available to the shareholders under the provisions of the IT Act

STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY

The Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, the Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively referred to as "Indirect tax").

A. Special Indirect Tax benefits to the Company

There are no special indirect tax benefits available to the Company.

B. Special Indirect Tax benefits available to Shareholders

There are no special indirect tax benefits available to the shareholders of the Company.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section is derived from the report "Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" dated August 2022 (the "F&S Report") prepared and released by Frost & Sullivan (India) Private Limited ("F&S"), which has been exclusively commissioned and paid for by our Company for the purpose of confirming our understanding the industry in connection with this Offer. We officially engaged F&S in connection with the preparation of the F&S Report on May 2, 2022. Neither we nor any of our Directors, the Selling Shareholder or the BRLMs are related parties of F&S. The data included in this section includes excerpts from the F&S Report and may have been re-ordered by us for the purposes of presentation. There are no material parts, data or information (which may be relevant for the Offer) that have been left out or changed in any manner. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year.

IQVIA Data, where indicated, include information derived from IQVIA MIDAS quarterly market research information for calendar years 2020 and/or 2021 provided by IQVIA and its affiliated companies ("IQVIA"). IQVIA market research information is proprietary to IQVIA and available on a confidential basis by subscription from IQVIA. IQVIA market research information reflects estimates of marketplace activity and should be treated accordingly.

IQVIA national audits and MIDAS reflect local industry standard source of pack prices, which might be list price or average invoice price, depending upon the country and the available information; they do not reflect net prices realised by the manufacturers. Sales values reflected in these IQVIA audits are calculated by applying such relevant pricing to the product volume data collected for, and reflected in, such audits.

The statements, findings, conclusions, views, and opinions contained and expressed herein are not necessarily those of IQVIA or any of its affiliated or subsidiary entities. Any analysis is independently arrived at by F&S, on the basis of information from various sources.

The conversion rates of USD to INR that we have applied for the various time periods included in this section are the prevailing conversion rates on December 31 of each year stated as derived from RBI and are as follows: (i) 2018: 1 USD = 69.79 INR; (ii) 2019: 1 USD = 71.27 INR; (iii) 2020: 1 USD = 73.05 INR; (iv) 2021 to 2026: 1 USD = 74.30 INR. For forecast years from 2022 to 2026, the conversion rate has been assumed to be the same as on December 31, 2021. There might be variations from true value because of rounding off errors.

Macroeconomic Overview

The global economy is demonstrating signs of recovery after experiencing disruptions during the COVID-19 pandemic. Supported by fiscal stimulus measures, favorable monetary policies, and an increasing vaccination rate across major economies, global GDP growth has resumed its upward trajectory. The International Monetary Fund's ("**IMF**") World Economic Outlook survey estimated that global GDP at constant prices grew 5.9% in 2021, after experiencing a decline of 3.1% in 2020. According to World Bank Data, global GDP at current prices is expected to grow at a CAGR of 6.1% between 2021 and 2026. Meanwhile, India's and China's corresponding CAGR is expected to be 7.8% and 7.9%, respectively.

Global pharmaceutical expenditure

Growing populations and increasing life expectancies has led to aging populations with greater healthcare needs and pharmaceutical consumption, due to factors such as increased prevalence of chronic illnesses. According to the United Nations, the global number of people aged 65 years and above is expected to double in 30 years, increasing to 1.5 billion by 2050, faster than younger age groups globally, and is projected to constitute 16% of the total population in 2050 compared to 8% in 2016. The impact of an aging population is higher in countries such as Japan and member states of the European Union (EU4), where the population aged above 65 accounts for approximately 30% of the total population.

Economic prosperity is linked to urbanization to some extent. According to the World Bank, in 2021, nearly 57% of the world's population lived in cities, up from 54% in 2016. By 2050, with the urban population more than doubling its current size, nearly seven out of every ten people will live in cities. However, urbanization also brings healthcare challenges such as pollution-related respiratory problems, sedentary lifestyle-related chronic diseases,

and high population density-associated infectious disease spread, leading to increased healthcare and pharmaceutical expenditure.

Global pharmaceutical spending grew from USD 1,070 billion (INR 74,678 billion) in 2018 to USD 1,287 billion (INR 95,672 billion) in 2021 at a CAGR of 6.4%. During the COVID-19 pandemic, there were minor decreases in traditional pharmaceutical spending mainly due to supply chain disruptions and challenges in accessing healthcare facilities. Nevertheless, increased spending on COVID-19 therapeutics drove market growth. According to IQVIA's "*The Global Use of Medicines 2022*" report in 2021, COVID-19 vaccines and therapeutics contributed significantly to pharmaceutical expenditure, amounting to almost USD 90 billion (INR 6,687 billion) in 2021 and will continue to contribute approximately USD 30 to 35 billion per year for the next four to five years.

Global pharmaceutical spending is driven by: (i) growing innovation addressing several unmet health needs such as in oncology and rare diseases, (ii) exclusivity losses leading to introduction of launch of low-cost generics and biosimilar in the market making drugs more accessible for the larger population, and (iii) improved healthcare services as well as increased accessibility, leading to increased treatment rates and addressing demands such as organ transplants.

Given the increasing cost pressure imposed on healthcare systems and the drive to increase use of lower-cost generic drugs (e.g., in Japan, the goal is to achieve 80% generic drug penetration by volume), in addition to higher growth in emerging markets (such as Middle East, Africa, Asia-Pacific, and Latin America.) which currently predominantly depend on generic drugs, the generic drugs segment has growth at a healthy pace and is expected to continue to do so.

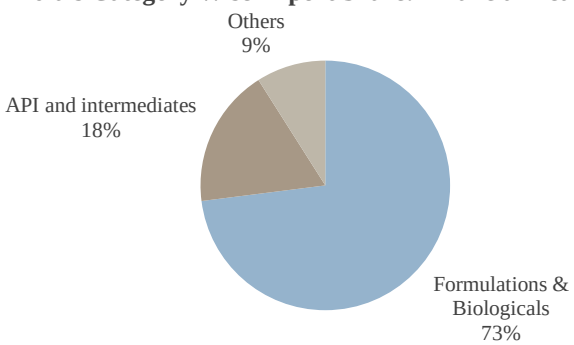
Regional Dynamics

India's Healthcare Market Dynamics

India's domestic healthcare market is growing rapidly and is projected to grow at a CAGR of 8% to 10% from 2022 to 2026. In addition to improving private insurance coverage and greater willingness to spend on healthcare, government policies provide catalytic stimuli. These policies include the Ayushman Bharat Program, the Ayushman Bharat Health Infrastructure Mission, and the Pradhan Mantri Bhartiya Janaushadi Pariyojana.

India is a crucial supplier of generic drugs, supplying to address almost 40% of the total U.S. generic drug (formulation) demand and approximately 25% of the total drug demand in the United Kingdom. According to the Indian Brand Equity Foundation ("**IBEF**"), India also accounts for 60% of global vaccine production, contributing 40% to 70% of the WHO's demand. This success can be attributed to the advanced capabilities in formulation manufacturing, the capability to meet global standards, and the governmental support. According to the IBEF, while India's formulations are expected to grow, and they accounted for approximately 73% of the pharmaceutical export share in the Financial Year 2022, there are opportunities to address bottlenecks in raw material (active pharmaceutical ingredients ("**APIs**") and key starting materials ("**KSMs**")) manufacturing and expand its current share of approximately 18% in the pharmaceutical exports in the Financial Year 2022.

India's Category Wise Export Share: Financial Year 2022



Source: Frost & Sullivan Analysis, IBEF

Challenges facing India's API and KSM sector include high dependence on China for raw materials, inadequate infrastructure in select areas such as fermentation and delays in land acquisition and environmental clearance. However, several factors, such as regulatory policies, provide stimulus to the API segment in India.

Sourcing Shift from China to India

To replicate the success of India's finished dosage form in the API market, it is critical to decrease India's dependence on Chinese imports.

Extrinsic Factors

According to Forbes, as China started following stringent environmental norms leading to production cuts during winters (approximately 40% of the factories in China were shut down to curb air pollution), followed by geopolitical changes, trade wars, and the COVID-19 pandemic, large companies and multi-national companies recognized the need to de-risk their supply chain.

In the immediate term, India stands to benefit from this strategy compared to its Eastern peers (such as Vietnam, Bangladesh, Malaysia) owing to its infrastructure, large and skilled English-speaking population, large pool of scientists, competitive labor prices, and sophistication in information and communications technology ("**ICT**"). The early signs of adoption of this strategy in favor of India are already reflected in the Indian Ministry of Statistics and Programme Implementation's Index of Industrial Production for the Manufacture of Pharmaceuticals, Medicinal Chemicals and Botanical Products, which increased in the Financial Years 2021 to 2022 by 1.3% over the previous year to reach a value of 221.6.

Intrinsic Factors

India has the highest number of FDA-approved plants for manufacturing APIs, and accounted for 28% of the share in 2021, almost twice that of the United States and China. A high number of U.S. FDA-approved plants for API indicates the capability to serve regulated markets. India's cGMP regulations are aligned with global standards, thus making it easier for Indian manufacturers to export their drug products and substance to global destinations.

In addition, the Department of Pharmaceuticals of India announced its first Production Linked Incentive scheme ("**PLI Scheme**") in July 2020, with incentives worth INR 69 billion to boost domestic manufacturing of identified KSMs, drug intermediates, and APIs to attract significant investments in the sector and to reduce India's import dependence in critical APIs. The scheme aims to reduce India's dependence on China for raw materials and produce crucial antibiotics, anti-HIV drugs, vitamins, and drugs for cardiovascular diseases. According to Invest India, the total outlay for the PLI Scheme is INR 150 billion and will benefit 55 approved beneficiaries focusing on pharmaceutical drugs, APIs, and intermediates.

To increase the competitiveness of Indian companies, the Government of India has committed to developing three bulk drug parks in partnership with the states of India. The government will fund 70% to 90% of common infrastructure costs such as power and steam units, solvent recovery, distillation, common effluent treatment plants, etc. The total outlay for the program is INR 30 billion for the duration of five years from 2020 to 2025. In addition to reducing the capital expenditure burden for companies, these drug parks can improve environmental compliance in manufacturing.

The United States' Healthcare Market Dynamics

The United States has the highest per capita spending on healthcare amongst countries with above-median national incomes, amounting to USD 11,945 (INR 872,625) in 2020. This was at least USD 4,000 (INR 292,214) higher than any other high-income nation (e.g., Switzerland, Germany, France, etc.), according to Health System Tracker. Healthcare spending in the United States increased by 10% from 2019 to 2020 to reach USD 4,124 billion (INR 301,273 billion) and grew at a CAGR of 5.7% from 2016 to 2020. A sizable proportion of national healthcare expenditure comes from federal sources, creating a demand for low-cost alternatives, such as the importation of generic formulations or APIs from low-cost sources to ease the financial burden.

Substantial demand for pharmaceutical and other medicinal products in the United States is met through imports originating from all over the world. For instance, in 2021, the United States imported pharmaceutical products worth USD 149 billion (INR 11,108 billion), according to the United Nations COMTRADE database. According to 2019 estimates by Avalere Health, the United States imported nearly 30% of APIs for domestic manufacturing of formulations for medicines consumed in the country.

The United States is one of the most regulated markets in the world. The U.S. Food and Drug Administration ("**FDA**") within the U.S. Department of Health and Human Services regulates the drug approval system and the safety and effectiveness of drugs sold in the United States. Since a drug's safety and efficacy depend on the API quality, the FDA requires APIs to be manufactured in line with the cGMP. The system also includes inspections of API manufacturers worldwide to ensure that the submitted documents fully represent operational reality. Non-compliance with the cGMP can result in temporary or even permanent discontinuation of the relevant entity's supply of APIs to the United States.

In addition, over the recent years, the FDA has become more stringent in addressing drug impurities. For example, nitrosamine impurities above acceptable levels were found in valsartan, ranitidine, nizatidine, and metformin, leading to recalls of these drug products. As a result, the FDA recommended that API manufacturers perform confirmatory testing with suitable analytical methods to assess any risk of nitrosamine impurities. API manufacturers are also advised to implement changes in the manufacturing process, such as optimizing the process design for APIs during route of synthesis development, auditing, and monitoring supply chains for any at-risk raw materials, KSMs and intermediates, and developing appropriate control strategies.

Generic Drug User Fees and Drug Master File

Firms manufacturing human generic drug products and active ingredients for human generic drug products distributed in the United States are subject to FDA generic drug user fee ("**GDUFA**"). In addition, firms must pay the drug master file ("**DMF**") to initiate FDA review for completeness assessment (facilities, processes, articles used in the manufacturing, processing, packaging, and storing of human drugs), which is required in order to reference the API in abbreviated new drug applications ("**ANDA**").

Such fees have been increasing in general (except for 2021), putting pressure on API companies on one hand. On the other hand, paying such fees to successfully register the facility and the product accelerates the generic drug approval process and helps companies differentiate themselves from their competitors.

Japan's Healthcare Market Dynamics

Japan's pharmaceutical market is experiencing a shift in favor of generic drugs propelled by policies introduced to curb healthcare costs associated with a rapidly aging population. Japan has a very high proportion of the geriatric population (approximately 30% of the total) and, as a result, mounting healthcare costs. To curb the pressure on healthcare systems, Japan set a target to shift from high-cost innovator drugs to low-cost generic drugs. The original target for generic drug use as a percentage of total pharmaceutical was set at 30% in 2007 but has increased to nearly 80% in 2021. In a similar bid to contain costs, a biennial price cut was introduced, which significantly slashed the prices of some of the high-priced innovator products. While Japan remains a favorable location for launching new drugs, generic drug companies are benefitting substantially from this dynamic shift.

Global API Market

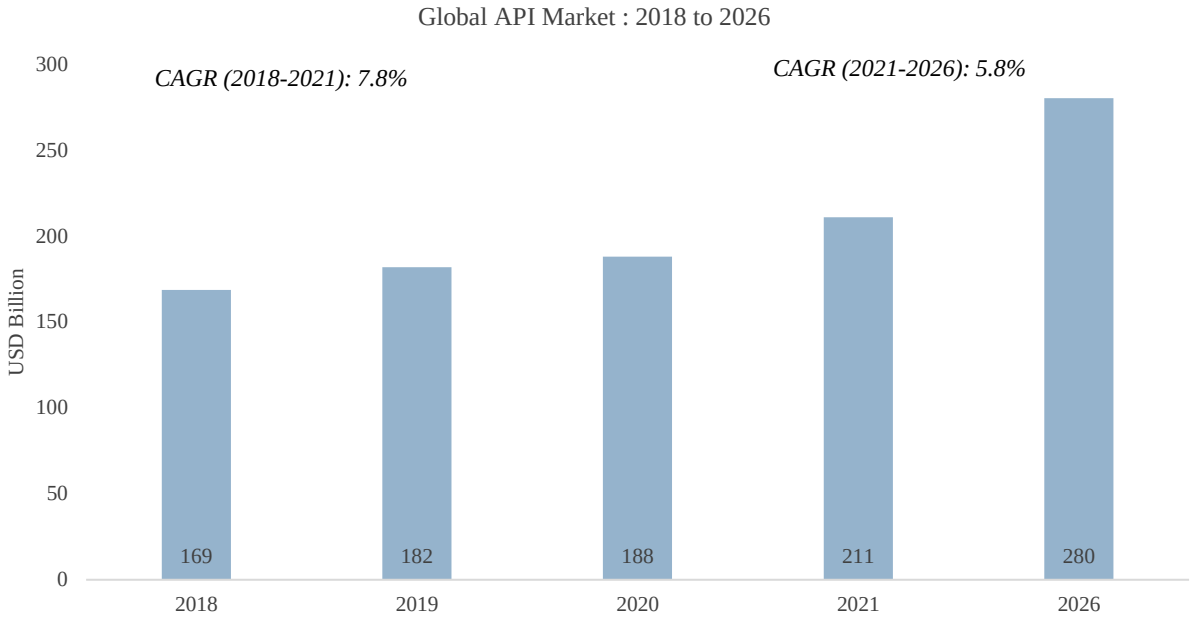
An API is the biologically-active ingredient of a drug product that is intended to have a specific effect. These effects can range from a pharmacological action to a direct impact on the diagnosis or prevention of disease to altering the physiological functions of humans. A well-formulated API is essential for manufacturing safe and efficacious drugs. The strength of the drug depends on the amount of API present in the formulation.

There are different types of API with different manufacturing needs. For example, synthetic APIs are manufactured using chemical processes such as crystallization. Biotech APIs are produced using fermentation of bacteria or fungus or can be manufactured in bioreactors using cell lines.

API market can also be segmented depending on the manufacturer type-merchant and captive markets. Captive API is API produced internally by pharmaceutical companies for formulation use and accounts for approximately 60% of the market. APIs sold by third-party manufacturers either in the open market or directly to formulation manufacturers is called the Merchant API. According to various industry sources, the merchant API segment accounts for approximately 40% of the market share. However, the Merchant API market is expected to grow at a much higher rate with the increasing outsourcing trend. As formulation companies focus on improving speed-to-market, improving API and resultantly formulation quality, accomplishing cost effectiveness, leveraging external technical expertise, and offsetting internal capacity constraints, they will increasingly rely on quality-focused API suppliers.

Global API Market Size High Drug Demand Will Continue to Drive Growth in the API Market

The global API market was valued at approximately USD 211 billion (INR 15,678 billion) in 2021, which constitutes about 16% of the total pharmaceutical formulations market and is expected to reach approximately USD 280 billion (INR 20,805 billion) by the year 2026, at a projected CAGR of 5.8% over the forecast period of 2021 to 2026. Of the total market, biological APIs accounted for 35% of the share in 2021, and small molecule drug APIs accounted for the remainder of 65% share.



Source: Frost & Sullivan Analysis

The slow growth of the market during the year 2019 to 2020 can be attributed to the postponement of new drug approvals and launches, disruptions in supply chains due to COVID-19, and a drastic reduction in the number of patient visits to hospitals and clinics resulting in a decline in new prescriptions.

However, the scenario changed in 2021, when the market witnessed a growth spike with the healthcare systems adapting to the new normal (e.g., the proliferation of telemedicine) and supply issues resolved (at least partially). In 2021, the COVID-19 pandemic had a dual impact on the API market, driving volume as well as value (price) increases. On the one hand, the outbreak of COVID-19 increased the demand for various COVID-19 therapeutics, such as antiviral drugs during the peak of infection waves, as well as increased demand for drugs to manage critical comorbidities such as hypertension, chronic obstructive pulmonary disorder ("**COPD**"), and diabetes. The treatment of these comorbidities also led to the positive demand shift towards APIs used in formulations for these therapy areas. The growth rate is expected to rationalize in 2022 as some of the APIs' prices regress to pre-pandemic levels. However, the overall growth in the pharmaceuticals market and drug consumption is expected to sustain long-term growth momentum in the API market.

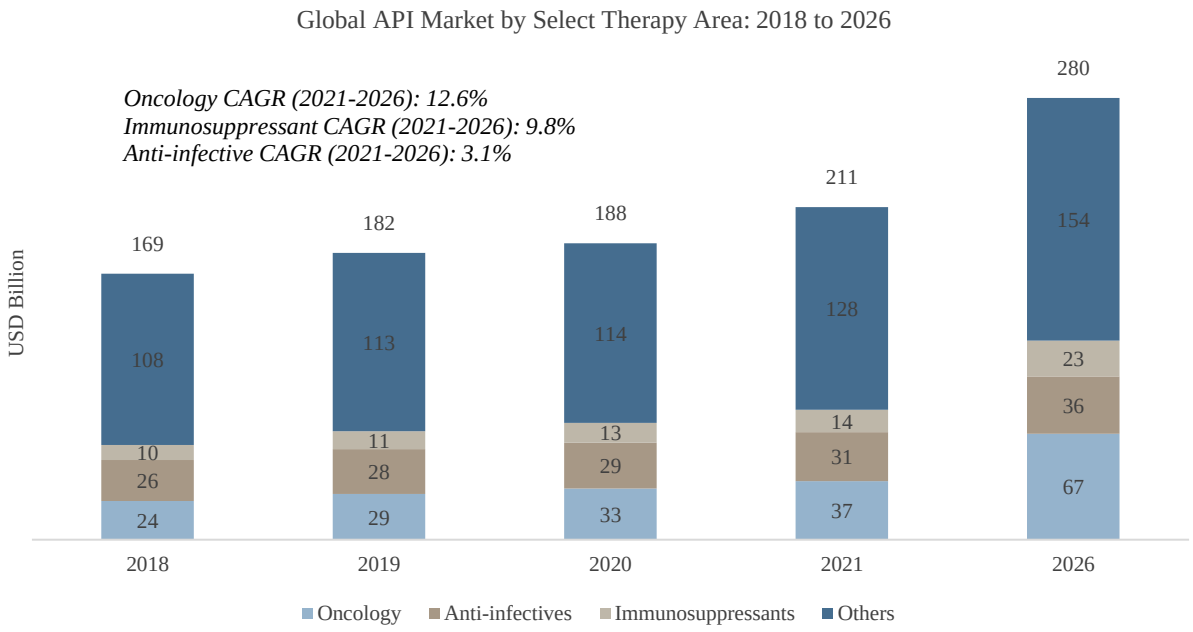
Global API Market by Therapy Area

The global API market can be broadly segmented into therapeutic areas such as anti-infectives, oncology, immunosuppressants, and others, including the central nervous system, cardiovascular system, respiratory, blood disorders, etc. In line with growth in the pharmaceutical segment, there is continued opportunity for APIs in the oncology and immunosuppressant therapeutic areas. There is a high degree of correlation between formulation expenditure and API expenditure across therapies, with minor nuances depending on the prevalent product technology (small vs. large molecule, synthetic vs. biotech) dominating the therapeutic space.

Cancer is considered among the leading causes of death worldwide and its prevalence has been increasing. As a result, the oncology drug market has become the largest segment among the therapeutic areas in the API market, with sales value of USD 37 billion (INR 2,749 billion) in 2021, accounting for an 18% market share in terms of sales value. Driven by the robust pipeline of new oncology drugs, the segment will continue to be the fastest

growing, with a sales value CAGR of 12.6% between 2021 and 2026 to reach a value of USD 67 billion (INR 4,978 billion) by 2026. The anti-infectives market is one of the largest segments by sales value among the therapeutic areas in the API market with sales value of USD 31 billion (INR 2,303 billion) in 2021. Anti-infectives covering vaccines, anti-bacterial, antifungal, and immunoglobulins, accounted for 15% of the market share in 2021 and is expected to reach USD 36 billion (INR 2,675 billion) by 2026.

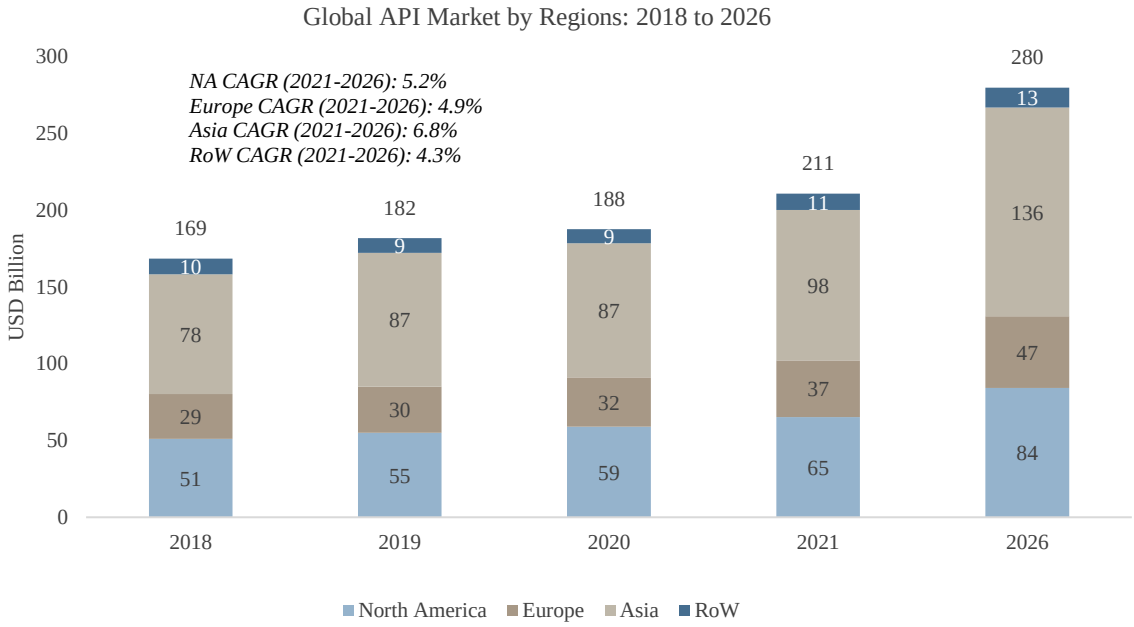
Immunosuppressants accounted for 7% of the market in 2021 by sales value and was valued at USD 14 billion (INR 1,040 billion) in the same year. The immunosuppressant API market is expected to grow at a CAGR of 9.8% between 2021 and 2026 to reach a value of USD 23 billion (INR 1,709 billion) in 2026.



Source: Frost & Sullivan Analysis

Global API Market by Regional Consumption: Asian Markets Will Remain Dominant API Suppliers, As Well As API Consumers with the Increased Volume of Pharmaceutical Consumption and Adoption of High-Value Innovator Products

Asia had the highest sales value contribution in APIs, approximately USD 98 billion (INR 7,282 billion), in 2021 and is expected to grow by a CAGR of 6.8% between 2021 and 2026 to reach a value of USD 136 billion (INR 10,105 billion) in 2026. A large part of this growth will be derived from the increasing consumption of pharmaceutical drugs in countries such as India and China and a gradual shift to high-cost innovator drugs. North America was the second largest region, with a market value of USD 65 billion (INR 4,830 billion) in 2021. It is expected to reach USD 84 billion (INR 6,241 billion) by the end of 2026, with a CAGR of about 5.2% between 2021 and 2026. Approximately 17% of the market share was taken up by Europe and is expected to grow at a CAGR of 4.9% between 2021 and 2026, reaching a market size of about USD 47 billion (INR 3,492 billion) by 2026. Western Europe and North America will remain lucrative regions for the supply of innovative APIs as well as APIs for specialty generics. Asia and emerging economies in the Rest of World will continue to offer growth opportunities in the supply of generic drug APIs.



Source: Frost & Sullivan Analysis

Market Drivers

Multiple factors drive the volume and value growth of APIs, resulting in the cumulative growth of the total API market. Some of these factors include:

Volume Growth

The increasing prevalence of chronic diseases and improving diagnosis rates are driving volume growth. Furthermore, there has been substantial improvement in diagnosis rates of common diseases globally. Early diagnosis enables early intervention and translates to a more significant number of dosages per patient per lifetime. Secondly, increased volume consumption is also attributable to the fast-growing pharmaceutical sector in emerging markets with advancing healthcare infrastructure and economic prosperity. Lastly, there is growth in pharmaceuticals from the increasing availability of low-cost generic drugs in both developed and emerging markets as expensive innovator drugs lose exclusivity.

Value Growth

FDA approved 193 new chemical entities and 73 new biological entities between 2016 and 2021, of which a measurable chunk of these approvals constitutes complex products such as peptides and SiRNA. The APIs for these formulations are also complex and thus expensive. Likewise, the new generation pipeline drugs also require sophisticated APIs. For instance, 25% of all NCEs under development today are highly potent. The increasing adoption of these complex drugs will drive the growth of high-value APIs.

Market Restraints

While there are several conducive factors for growth, there are some restraints in the market, such as growing stringency of regulations, tightening environmental laws, geographical diversification leading to strain on supply chains, and complex APIs requiring specialization.

Stringent regulatory and quality requirements

The API manufacturing process has strict cGMP, environmental, and legal considerations. While regulatory agencies have been strict about product quality, the increasing incidence of carcinogenic impurities in API has made regulations more stringent and requires in-numerous tests before introducing the product into the market. In addition, there is a significant push for adopting green chemistry to reduce the harmful environmental impact. These new requirements, though necessary, put an economic and operational burden on API manufacturers.

Complex APIs require specialization

While complex products (both generic drugs and novel drugs) allow API manufacturers to fetch a higher value, they also need technical expertise, a skilled workforce, and substantial capital expenditure. It imposes entry barriers, restricting the overall segment's capacity growth.

Geographical diversification of the supply chain

API, intermediate, and formulation manufacturers are spread across the globe. Even with large manufacturing capacity and strong capabilities, the supply and utilization of APIs depend on resilient supply chains. The pandemic highlighted the weakness in current logistics infrastructure and its ramifications on the API industry. Therefore, the growth in the overall API sector also hinges on the simultaneous development of peripheral areas such as storage, tracking, and supply chain. The acknowledgement of importance of supply chain is driving some global pharmaceutical companies to consolidate their supplier base and streamline operations, strengthen existing supply chains, and reduce the burden of governance.

API manufacturers and developers are increasingly favoring other technologies such as fermentation to combat some of the challenges associated with chemical impurities and environmental concerns.

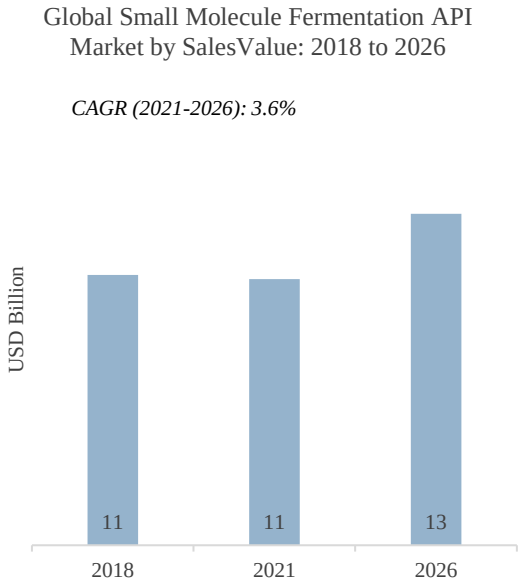
Global Fermentation-Based API Market

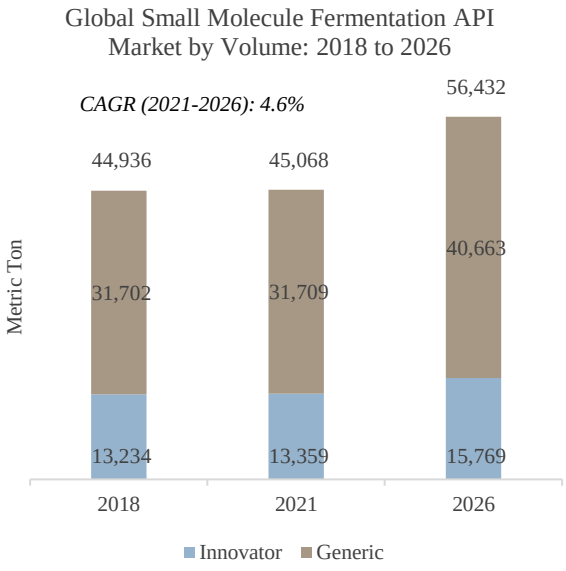
Fermentation-derived APIs are active ingredients or intermediates made using microbial or cell line host fermentation. Fermentation products can be naturally derived as well as semi-synthetically processed with a combination of fermentation and chemical synthesis. These APIs are used in a wide range of pharmaceutical products ranging from vaccines to anti-cancer cytotoxic drugs, antibiotics and antifungals, hormonal products, immunosuppressants, and vitamins.

A wide array of micro-organisms such as bacteria, yeast, fungi, and streptomycetes have been used in fermentation to produce small and low-weight molecules such as peptides, organic molecules, and large molecules such as proteins, nucleic acids (DNA and RNA), and macromolecules such as lipids and carbohydrates, along with a combination of products such as lipopolysaccharides, lipopeptides, and peptidoglycans. These molecules now constitute a large section of the APIs used by the pharmaceutical industry for the treatment of rare and chronic diseases such as cancer, autoimmune diseases, and central nervous system disorders.

Global Small Molecule Fermentation API Market Size

The technological advantages of fermentation lend well to market expansion of the fermentation API segment. The global small molecule fermentation API market was valued at USD 11 billion (INR 817 billion) in 2021. The market is expected to reach approximately USD 13 billion (INR 966 billion) in 2026, projecting a CAGR of 3.6% over the period of 2021 to 2026. There was a decline during 2020 to 2021 owing to the supply chain disruption from China (key API supplier), creating a shortage of some APIs. At the same time, a drop in elective procedures and clinic visits led to a decrease in new prescriptions disrupting the market growth during 2020 and 2021. Even though the supply of the raw materials from China resumed after the lockdown, the input costs rose steeply for many KSMs and intermediates (approximately 30% according to a research study entitled "*Examining COVID-19 Impact on Indian Pharmaceutical Production*" by Richa Udayana) and continue to remain high for several products. This, in some cases, also led to an increase in the API price. Given the volatility in pricing and the stark difference in pricing across regions and suppliers, volume consumption is the chosen metric in this analysis. The global small molecule fermentation API market by volume was 45,068 metric tons (Source: IQVIA MIDAS Quarterly Mar 2022 (Calendar Year 2021 Only) All rights reserved, hereinafter "**IQVIA MIDAS Dataset**") and is forecasted to grow at a CAGR of 4.6% between 2021 and 2026 to reach a value of 56,432 metric tons.





Source: Frost & Sullivan Analysis

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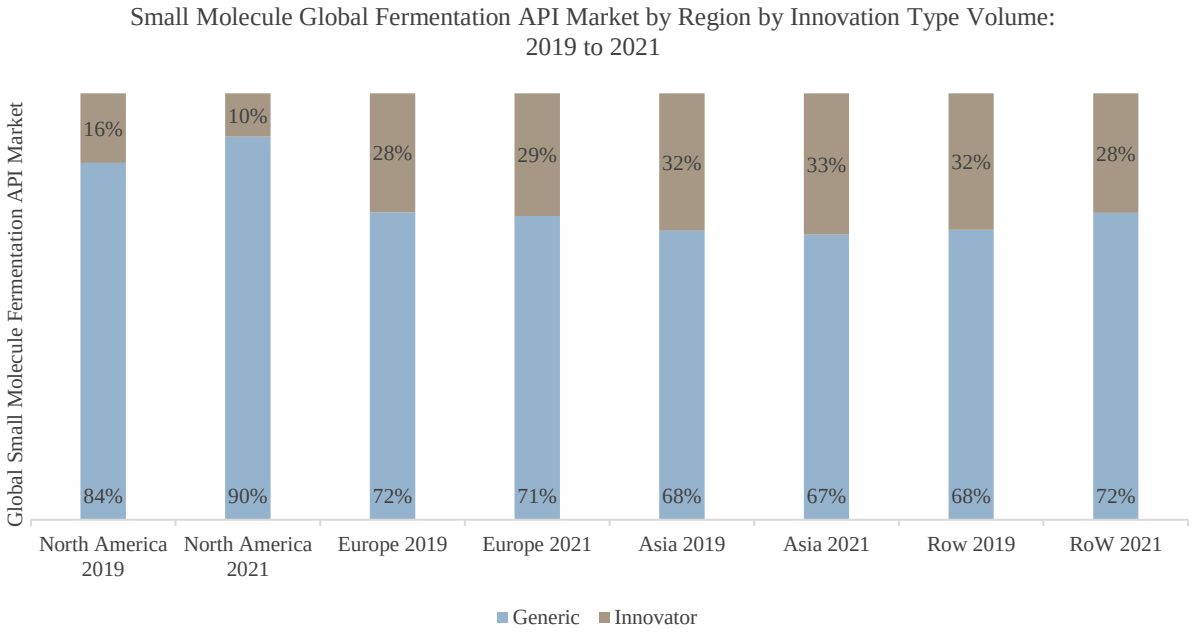
Within the small molecule segment, generic drug fermentation APIs accounted for a dominant share of nearly 70% by volume in 2021. With the increasing thrust of adopting low-cost alternatives, the overall market is expected to further shift in favor of generic drugs. Consequently, the volume of APIs utilized in generic drugs is forecasted to grow at a 5.1% CAGR between 2021 and 2026, compared to 3.3% for innovator during the same period.

Global Fermentation API Market by Regional Consumption

Asia is the largest consumer of fermentation-derived small molecule APIs, driven by the high use of antibiotics, and the increasing use of oncology and immunology drugs.

Asia, including countries such as India, China, and Japan, accounted for 56% market share by volume *(Source: IQVIA MIDAS Dataset)* (and approximately 29% by value) of the fermentation API market in 2021. In addition to holding a dominant share, the Asian region is forecasted to grow at the fastest rate owing to the increase in health care expenditures, cases of chronic diseases, and effective government policies supporting the booming pharmaceutical market. This dominance in some parts is attributable to the higher use of anti-infective drugs (which account for the largest share of fermentation-derived APIs) in Asia and Rest of World markets, given the higher vulnerability to infectious diseases. Additionally, the Asian markets are dominated by older generation of affordable generic drugs, in comparison to western regions which adopt new generation of specialty products more readily. Europe is the second largest market accounting for a 19% share by volume *(Source: IQVIA MIDAS Dataset)* (and approximately 22% by value) in 2021. The Rest of World and North American markets accounted for 17% and 8% by volume *(Source: IQVIA MIDAS Dataset)*, and approximately 8% and 41% by value, respectively.

In line with the global trend of greater dispensing of generic prescription drugs in North America, the highest proportion of generic API use within these markets was observed in North America, followed by Rest of World and Europe. Additionally, across North America and Rest of World the proportion of generic drugs has been on the rise in the past 3 years.



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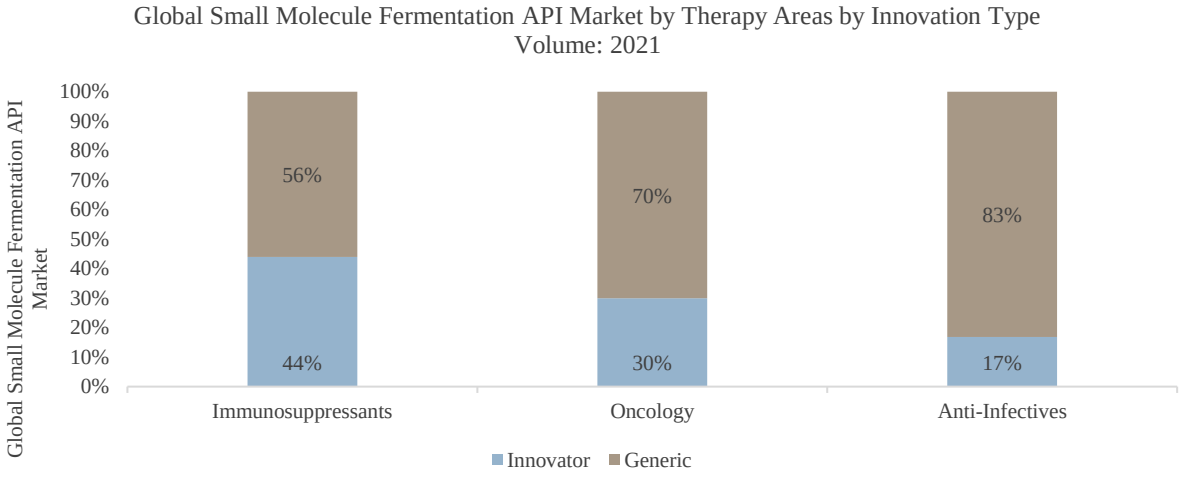
Global Small Molecule Fermentation API Market by Therapeutic Area

In line with the growth in the pharmaceutical market, the growth of the fermentation-based API market is expected to be driven primarily by the therapeutic areas of immunosuppressants, oncology, and anti-infectives.



Source: Frost & Sullivan Analysis

Small Molecule Immunosuppressant Fermentation-based APIs

The fermentation-based APIs for immunosuppressant drugs accounted for only 1% of the share by volume but estimated to have contributed 9% to 11% (approximately USD 1billion) of the market by value owing to higher price of the immunosuppressant APIs. In line with the global market trends, there has been an increasing shift in favor of generic drugs in the past few years, thus leading to an increasing proportion of generics in the overall market. The increasing genericization leading to increased affordability of drugs, combined with growing number of organ transplants and autoimmune disorders is expected to drive a volume growth of 9% to 11% between 2021 and 2026.

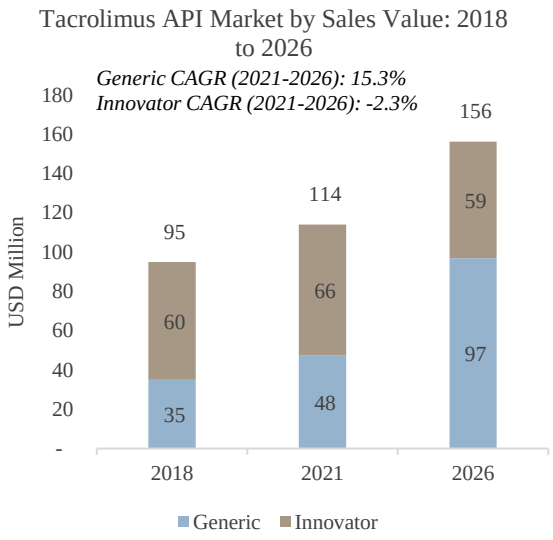
Many immunosuppressant drugs have multiple indications. Small molecule immunosuppressant drugs are the mainstay for organ transplant patients as many patients need to use these drugs throughout their lifetime. The

global demand for immunosuppressant APIs is driven by the growth of the immunosuppressant formulation markets. Organ transplantation is becoming more common, increasing demand for immunosuppressants. However, as of 2021, approximately more than 90% of the approved and commonly prescribed small molecule organ transplant drugs were fermentation-based. As a result, fermentation-based APIs used in immunosuppressants in organ transplantation requires stringent quality control during manufacturing to minimize variations during the fermentation process. Increase in organ transplants such as liver and kidney transplants worldwide is further expected to bolster the growth of APIs such as Tacrolimus, Sirolimus, Mycophenolic Acid, Mycophenolate Mofetil, and Cyclosporine and eventually the growth of the overall market.

TACROLIMUS

Tacrolimus is indicated for preventing organ transplant rejection and treating moderate to severe atopic dermatitis. The total formulation sales for tacrolimus-based products were nearly USD 3 billion (INR 223 billion) in 2021 *(Source: IQVIA MIDAS Dataset)*. The tacrolimus API market in the same year was estimated to be USD 114 million (INR 8,470 million) with a volume consumption of 1,810 kg. Since this drug can be a life-long drug in some transplant patients, and given the preference for consistency of drug regimen, the market will maintain volume sales from existing users and gain from new organ transplant patients. As a result, the market is estimated to grow at 6.5% between 2021 and 2026 by value and volume. Since the patent expiry in 2008, generic drugs have gained a significant share in the market and accounted for 46% in 2021 (by volume) *(Source: IQVIA MIDAS Dataset)* and are expected to reach a volume share of 69% by 2026. Currently, the largest tacrolimus API consumption was in Europe accounting for 35% volume share, followed by comparable consumption in Asian and North American markets accounting for 33% and 28% volume share respectively.

Moreover, as healthcare infrastructure in emerging markets, particularly in the Asia-Pacific, is improving and the number of transplants increasing, a large part of the future growth is expected to be generated from these markets. Amongst the key API consumers, Astellas Pharma Inc. ("**Astellas Pharma**"), accounted for 45% share by volume in 2021, Novartis AG ("**Novartis**") captured 13% of the market, and Intas Pharmaceuticals Limited ("**Intas**") captured 6% of the market.



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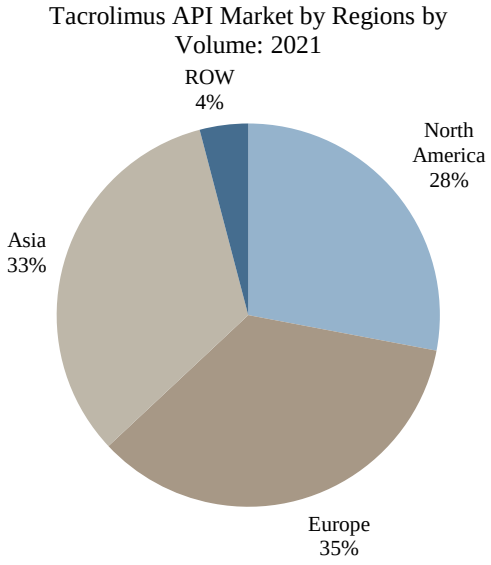

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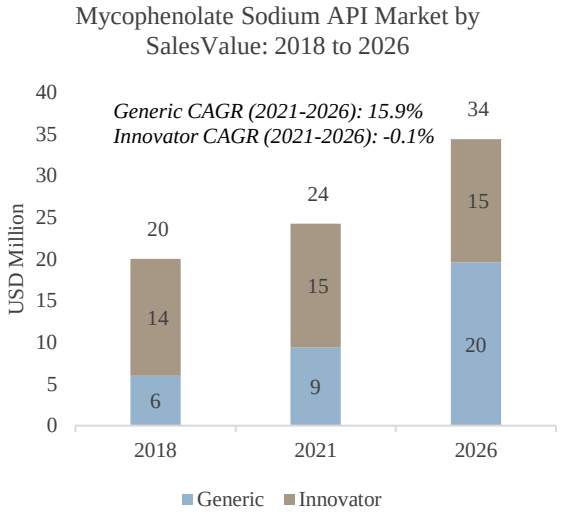
While the demand for Tacrolimus is expected to be high, and there are a total of 16 regulated market API suppliers here are only three suppliers, including Concord Biotech Limited ("**Concord Biotech**"), Teva Pharmaceutical Industries Ltd. ("**Teva**"), and Chunghwa Chemical Synthesis & Biotech Co. Ltd. ("**CCSB**"), with registered DMFs in all the key markets.

Despite comparatively stiff competition, Concord Biotech is one of the leaders in the tacrolimus API market, with an estimated volume share of more than 30% in 2021 (which is indicative and based on Concord Biotech's supply, as provided by Concord Biotech, in proportion to the total tacrolimus API consumption globally, as estimated by

Frost & Sullivan), serving three out of the top five API consumers in North America and Asia, and two of the top five in Europe and Rest of World, across financial years 2021 and 2022.

MYCOPHENOLATE SODIUM

Mycophenolate Sodium is the sodium salt of mycophenolic acid used as an immunosuppressive prophylactic to prevent rejection during organ transplantation. The mycophenolate formulation market was valued at USD 414 million (INR 30,761 million) in 2021 *(Source: IQVIA MIDAS Dataset)*, and the API market was valued at USD 24 million (INR 1,783 million) with a volume consumption of 95,491 kg in the same year. The API market by volume is expected to witness a CAGR of 7.3% between 2021 and 2026 as demand from Asia and Rest of World increases owing to the growing number of transplants. In 2021, the greatest demand was generated from European markets accounting for 36% volume share. The North American market accounted for 34% volume share in the same year. In 2021, the generic drugs component accounted for 43% of the market share by volume while the innovator component occupied nearly 57% *(Source: IQVIA MIDAS Dataset)*. There is also an expected shift towards generic component with an increase in API volume share from 32% in 2018 to 63% in 2026. While the originator Novartis accounted for nearly 57% share by volume, Intas Pharmaceuticals Limited, Apotex Inc. ("**Apotex**"), and Lupin Limited **("Lupin")** accounted for a cumulative volume share of 31%.



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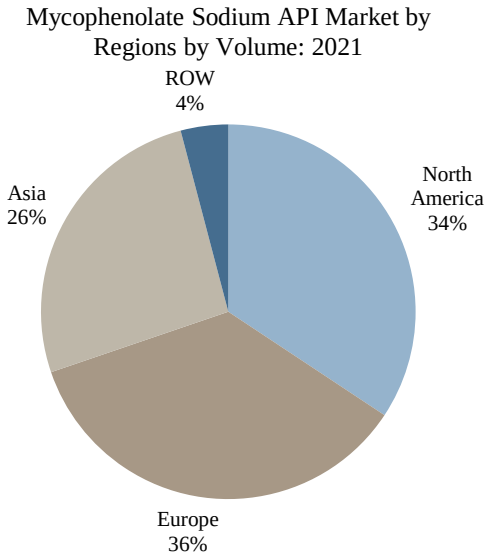

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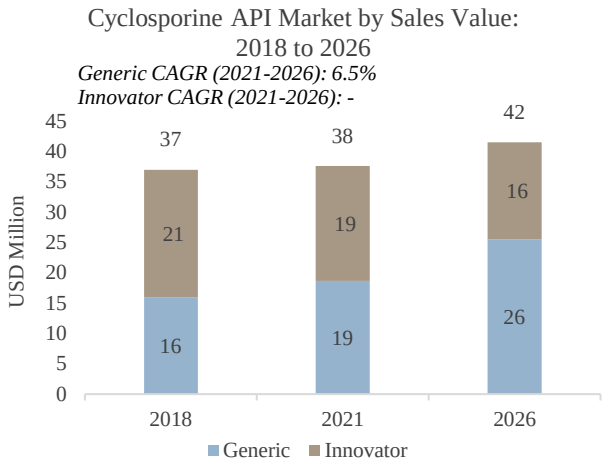
There are nine companies with active U.S. DMFs for Mycophenolic Acid APIs and seven companies with active U.S. DMF for Mycophenolate Sodium API. While there were four suppliers from India with active DMFs, Concord Biotech had a market share of approximately 20% by volume in 2021, working with three formulation companies amongst the top five in the North America region and at least one leader across Europe, Asia, and the Rest of World, across financial years 2021 and 2022.

CYCLOSPORINE

Cyclosporine is an immunosuppressant for preventing organ rejection in kidney, liver, and heart allogeneic transplants. It is also prescribed for psoriasis, rheumatoid arthritis, and uveitis. The cyclosporine formulation market generated USD 3 billion (INR 223 billion) in sales in 2021 *(Source: IQVIA MIDAS Dataset)*. The API market in the same year was valued at USD 38 million (INR 2,823 million) with sales of 25,662 kg. The market was split slightly in favor of generic, which accounted for 55% while innovators accounted for 45% of the volume share. The cyclosporine API market is expected to grow at a CAGR of 2.4% between 2021 and 2026 by volume and 2.0% by value between the same period as generic proliferation increases and drives volume growth. Asia alone accounted for more than 45% of the volume consumption, Europe and North America accounted for a share of 34% and 14%, respectively *(Source: IQVIA MIDAS Dataset)*. Amongst the key consumers, Novartis, Huadong Medicine Co. Ltd. ("**Huadong Medicine**"), and Teva accounted for 72% volume share in 2021, with the rest of the 28% volume share split between 131 companies.



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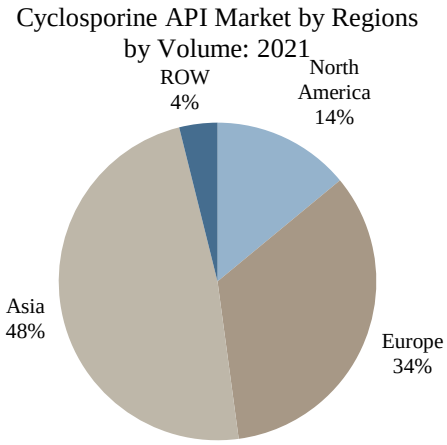

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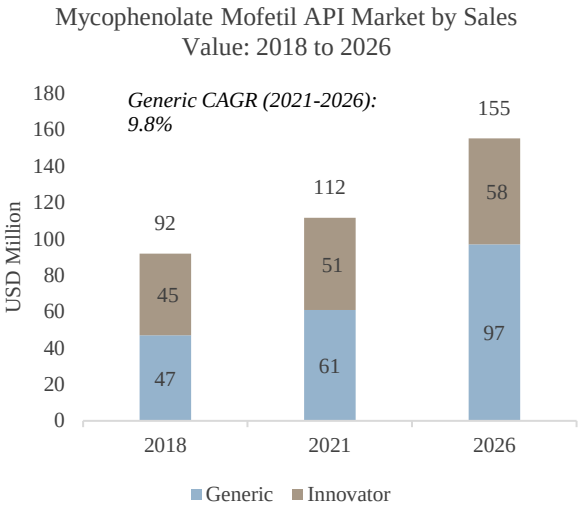
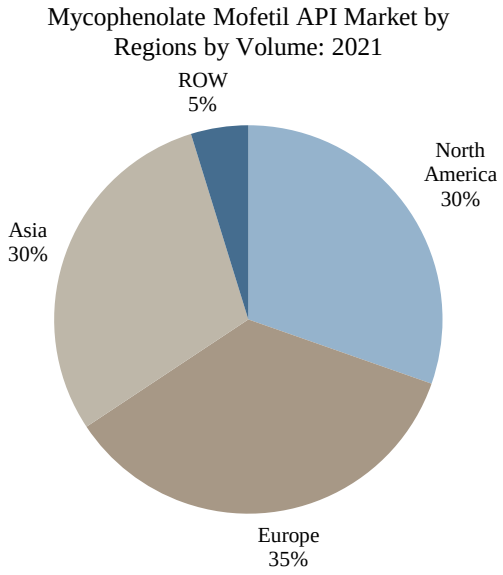
There are 13 Cyclosporine API suppliers to regulated markets, however, a large number of companies with active cyclosporine API DMFs, such as Novartis, AbbVie Inc. ("**AbbVie")**, Teva, and Huadong Medicine, are forward-integrated and potentially manufacture APIs for captive use. As a result, the number of suppliers supplying across regulated merchant markets is very few. Concord Biotech is the only supplier of Cyclosporine API from India to all major regulated markets and had a volume share of over 20% in 2021 while catering to two of the top five formulation companies in North America and Asia and three of the top five in the Rest of World, in 2021, across financial years 2021 and 2022.

MYCOPHENOLATE MOFETIL

Mycophenolate Mofetil is indicated for prophylaxis of organ rejection in patients and treatment of primary and secondary glomerulopathies, uveitis, Crohn's disease, rheumatoid arthritis, and lupus. Mycophenolate mofetil-based formulations generated approximately USD 1 billion (INR 74 billion) in sales in 2021 *(Source: IQVIA MIDAS Dataset)*, and the corresponding API market was valued at USD 112 million (INR 8,322 million) in the same year with volume sales of 471 metric tons. Since the patent expiry in 2007, several companies such as Huadong Medicine, Strides Pharma Science Limited ("**Strides Pharma**"), and Intas have introduced generic formulations in the market and each accounted for an 8% to 9% API volume share globally in 2021. In 2021, the generic drugs component accounted for 61% of the market share by volume while the innovator component occupied 39%. *(Source: IQVIA MIDAS Dataset)* In 2021, the greatest API demand was from Europe accounting for 35% volume share, followed by an equal share of 30% from the Asia-Pacific and North American markets. *(Source: IQVIA MIDAS Dataset)*



Source: Frost & Sullivan Analysis



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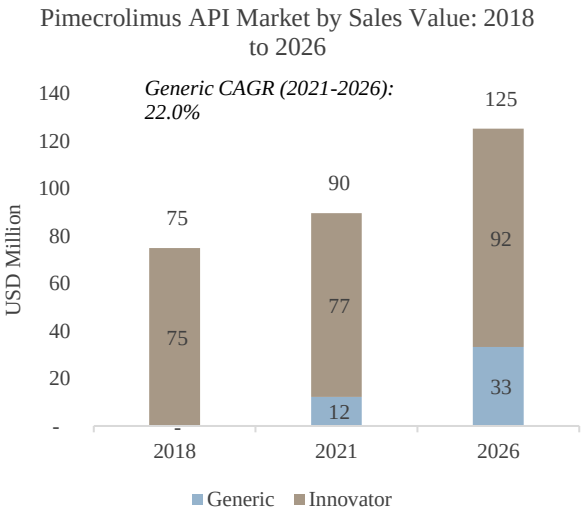
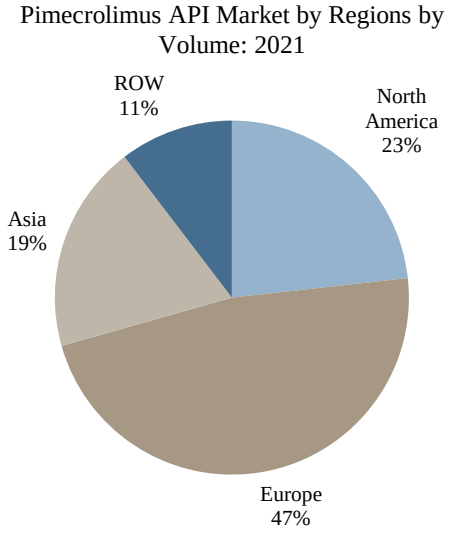
While there are 16 companies with active DMFs for mycophenolate mofetil API, there are only two companies- Concord Biotech and Teva with active DMFs across all three highly regulated regions. Concord Biotech globally accounted for 8% to 9% volume share in the Mycophenolate Mofetil API market while serving at least one out of the top five API consumers across all the four regions across financial years 2021 and 2022.

PIMECROLIMUS

Pimecrolimus is prescribed as a second-line therapy to treat mild to moderate atopic dermatitis (eczema) in patients who have already been treated with other medicines that did not work well. The total formulation market was valued at USD 223 million (INR 16,569 million) in 2021. In 2021, the API volume consumed was 1,401 kg *(Source: IQVIA MIDAS Dataset)* worth USD 90 million (INR 6,687 million). Since the first generic launch in 2018, generic drug formulations have started gaining share. In the same year, the generic drugs component accounted for 15% of the market share by volume while the innovator component occupied 85% *(Source: IQVIA MIDAS Dataset)*. The generic component is expected to outpace market volume growth and experience a CAGR of 24.5% (by volume) between 2021 and 2026. Of the 26 companies selling formulations, the largest API consumers by volume were Viatris and Bausch Health, accounting for a cumulative volume share of 76% in 2021.



Source: Frost & Sullivan Analysis



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There were only five companies with active U.S. DMF as of the first half of 2022, mirroring the leaner competition trend across other fermentation API products. Given the recency of generics launches, Concord Biotech captured 3% of the market volume in 2021, working with one formulation company amongst the top five companies in the North America and Asia region, across financial years 2021 and 2022.

Small Molecule Oncology fermentation-based APIs

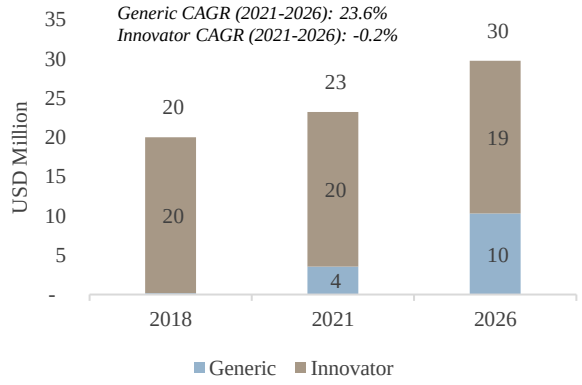
Though the global oncology fermentation API market accounted for only approximately 1% of the market by volume, the higher cost of APIs led to a sales value contribution of nearly 12% to 14% (approximately USD 1.3 billion) in 2021. The growing incidence of cancer and rapidly increasing R&D activity pertaining to anti-cancer drugs are primarily driving the market for oncology products. The increasing demand for more targeted, curative, and safer drugs is further propelling the R&D pipeline. Many anti-cancer drugs (approximately 60%) approved since 1981 are natural products derived from micro-organisms.

Some currently marketed oncology drugs manufactured using the fermentation process include everolimus, temsirolimus, rubicins, taxels, etc.

EVEROLIMUS

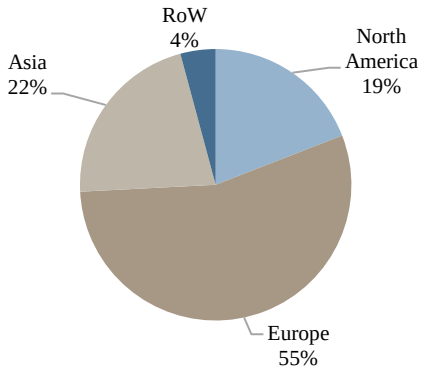
The total formulation sales for everolimus-based products were nearly USD 1 billion (INR 74 billion) in 2021 *(Source: IQVIA MIDAS Dataset)*. The everolimus API market in the same year is estimated to be USD 23 million (INR 1,709 million) with volume sales of 111kg. The everolimus API cost is substantially higher than some other small molecule APIs (which can cost as little as USD 10/kg) and is typically close to USD 210 thousand/ kg. After suffering a minor setback during the pandemic because of reduced new cancer diagnosis, therapy initiation and organ transplants, the Everolimus API market is expected to grow at a healthy rate of 7.2% during the forecast period of 2021to 2026, especially as generic drugs find stronger footing in emerging markets with recent patent loss in 2020. While generic drugs account for 17% share by volume in 2021, they are estimated to witness a CAGR of 23.6% between 2021 and 2026 to reach a 39% market share by volume in 2026. The innovator component occupied 83% of the market by volume in 2021. Globally, the largest API consumption was in Europe, which contributed to a 55% volume share, followed by the Asian region, which contributed a 22% volume share in 2021 *(Source: IQVIA MIDAS Dataset)*. The key API consumers in 2021 were Novartis, Hikma Pharmaceuticals plc ("**Hikma Pharma**"), and Endo International plc ("**Endo International**"), accounting for 88% share by volume.

Everolimus API Market by Sales Value: 2018-2026



Source: Frost & Sullivan Analysis

Everolimus API Market by Regions by Volume: 2021



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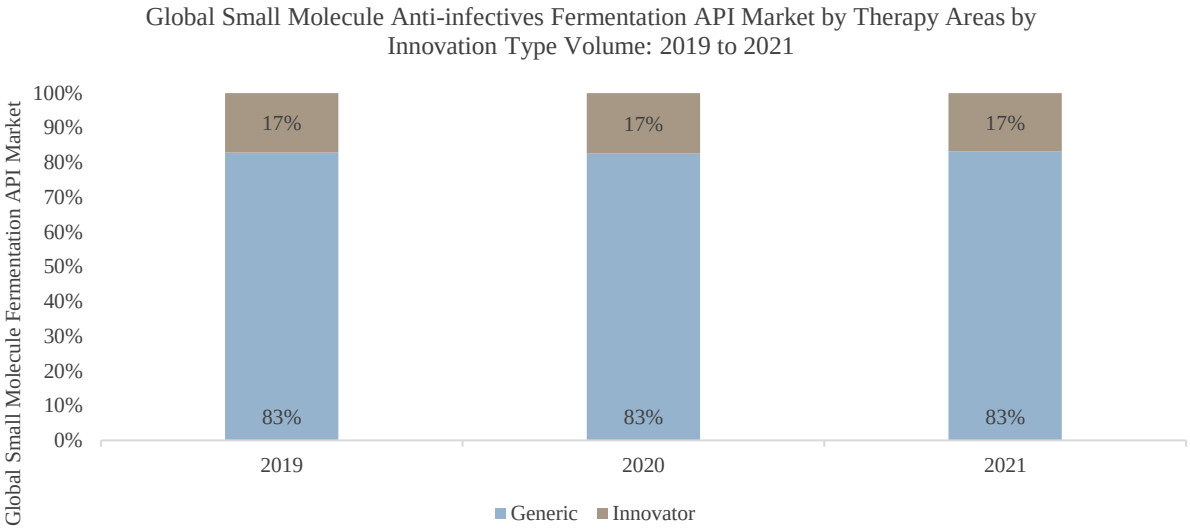
There are currently 13 API suppliers with active DMFs catering to regulated markets in the U.S., Europe, and Japan. Moreover, some of the companies with active DMFs are forward-integrated. They are expected to have a more significant proportion of captive use of the everolimus API production, leaving the merchant market with fewer suppliers.

Concord Biotech is the only supplier with DMF filings across all three regulated markets. Concord Biotech held an almost 5% volume share in the everolimus API market in 2021 and served two of the top five API consumers in Asia and Rest of World, across financial years 2021 and 2022.

Small Molecule Anti-Infectives Fermentation-based API Market

Since several anti-infective drugs, particularly the antibacterial and antifungals are fermentation-derived, the anti-infective drug APIs accounted for the lion's share of 72% in 2021 by volume *(Source: IQVIA MIDAS Dataset)* and nearly 28-30% (approximately USD 3.1 billion) by value. The market is expected to grow at a steady rate of 2% to 4% between 2021 and 2026 (to reach a value of approximately USD 3.5 billion in 2026) given the critical nature of the products.



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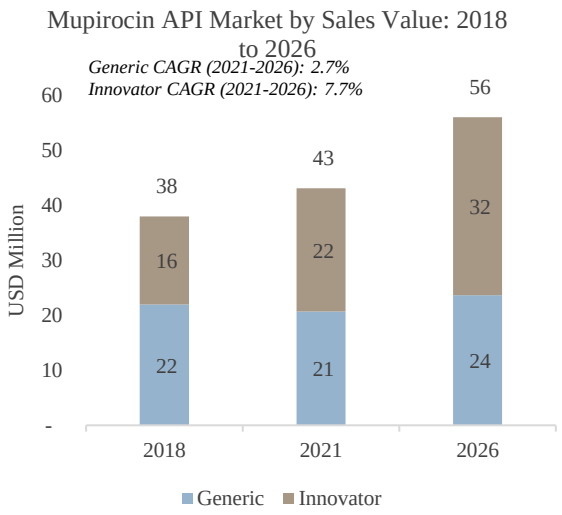
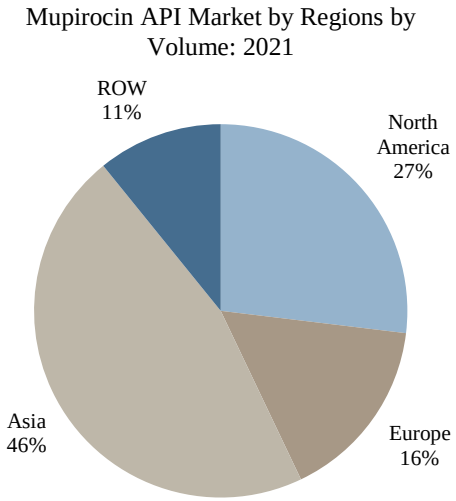
Anti-bacterial were amongst the first fermentation-derived APIs. As a result of the early success of streptomycin, chloramphenicol, chlortetracycline, cephalosporin, erythromycin, and vancomycin, large companies invested in developing large-scale fermentation capacities for antibiotic manufacturing. As a result, according to the Review of the Microbial Production of Bioactive Natural Products and Biologics, 69% of all anti-bacterial agents originate from natural products, currently. Antibiotics are used to treat a wide variety of bacterial infections, such as respiratory and gastrointestinal infections, sexually transmitted infections, dermatological infections, ear, and eye infections, resulting in consistent growth in the segment.

MUPIROCIN AND MUPIROCIN CALCIUM

Mupirocin is an anti-bacterial ointment used to treat superficial skin infections such as impetigo caused due to bacteria such as Staphylococcus aureus and Streptococcus pyogenes. The total mupirocin and mupirocin calcium formulation market was valued at USD 285 million (INR 21,176 million) in 2021. The total mupirocin API market was valued at 23 metric tons in 2021, with the highest consumption in the Asian region, followed by North America, amounting to 46% and 27% share by volume respectively. While the originator GSK plc ("**GSK**") accounted for 30% share by volume, Glenmark Pharmaceuticals Limited ("**Glenmark**"), Teva, and Sun Pharmaceutical Industries Limited ("**Sun Pharmaceutical**") accounted for a cumulative share of 28%. In 2021, the generic drugs component accounted for 53% of the market share by volume while the innovator component occupied 47% *(Source: IQVIA MIDAS Dataset)*. After a decline in 2020 and 2021 during the pandemic and discontinuation of GSK's Bactroban in the United States, the API market is expected to recover and witness an average volume CAGR of 5.4% between 2021 and 2026 as demand from the Asia-Pacific and the Rest of World remains stable.



Source: Frost & Sullivan Analysis



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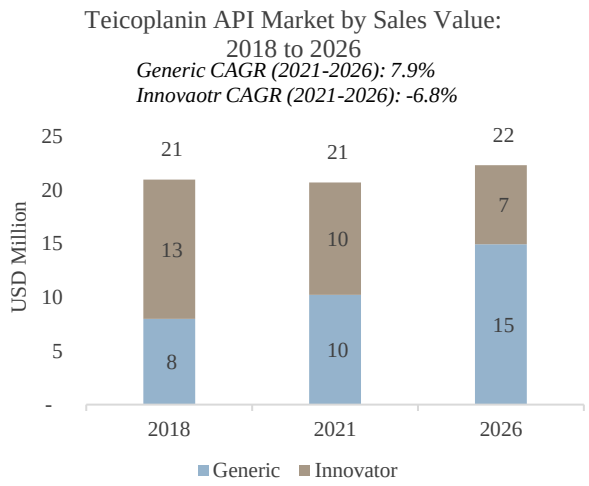
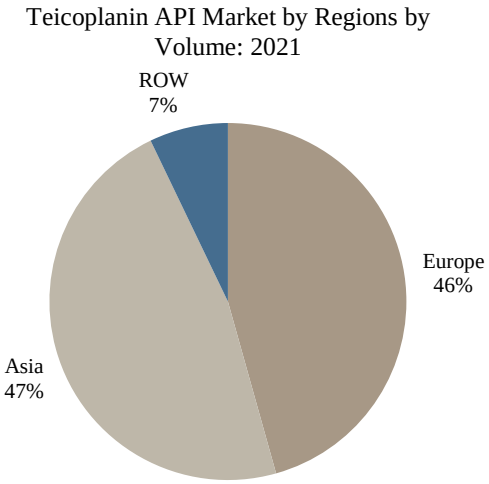
There were only seven companies with active U.S. DMF, five with valid Certificates of Suitability to the Monographs of the European Pharmacopoeia ("**CEPs**"), and one with an active Japan DMF as of the first half of the calendar year 2022 for mupirocin and mupirocin calcium APIs. Concord Biotech had a volume share of approximately 20% in 2021, working with at least two formulation companies amongst the top five in each of the four regions, North America, Europe, Asia, and the Rest of World, across financial years 2021 and 2022.

TEICOPLANIN

Teicoplanin is an antibiotic used to treat severe bacteremia, complicated skin and soft tissue infections, bone and joint infections, infective endocarditis, peritonitis, community-acquired pneumonia, and community-acquired urinary tract infections. Due to its efficacy and low cytotoxicity, teicoplanin has also been used for patients with complications, including pediatric and immunocompromised patients. The teicoplanin formulation market was valued at USD 207 million (INR 15,381) in 2021 *(Source: IQVIA MIDAS Dataset)*. The teicoplanin API market was valued at USD 21 million (INR 1,560 million) in 2021, with a volume consumption of 3,456kg. The API market is forecasted to grow at a CAGR of 1.5% by value between 2021 and 2026. Generic drug APIs accounted for 55% of the volume share in 2021. The largest API consumption was in Europe and Asia, amounting to nearly 46% volume share each *(Source: IQVIA MIDAS Dataset)*. Sanofi S.A. ("**Sanofi**") accounted for 45% of the volume share in 2021, followed by other companies such as Glenmark, Kolmar Korea, and Zhejiang Medicine Co., Ltd., each accounting for less than 10% volume share in the same year.



Source: Frost & Sullivan Analysis



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There were only six companies with active DMF for teicoplanin API across Europe and Japan as of the first half of calendar year of 2022.

Market Trends

Several dynamics are shaping the market, including but not limited to technological advancements in fermentation API manufacturing, systematic strain improvement, outsourcing of fermentation API manufacturing to contract manufacturing and development organizations ("**CDMOs**") (for custom needs and cost control), and shifting supply sources from China to India.

Systematic Strain Improvement

A key goal in the fermentation API industry is yield improvement to lower production costs. While media and process optimization enable an incremental increase in yield, strain improvement of the expression systems offers substantial cost and time advantages. While in the past, companies have used random mutagenesis and pathway engineering to improve strains, advancements in metabolic and genetic engineering are allowing for an optimized, scalable, and empirical approach. There is increasing availability of gene-editing technologies such as CRISPR, high throughput DNA sequencing, and automation to engineer producer strains, which can shorten the fermentation process, reduce impurities, and improve scalability.

New Fermentation Technology

From automation to the use of continuous manufacturing, there has been a tremendous evolution in fermentation technology. Technological innovations and the discovery of novel pharmaceutical fermentation solutions aim to achieve enhanced yields, shorter production processes, increased capacity, product quality, and mitigating contamination risks.

Outsourcing of Fermentation-based API Manufacturing to CDMOs

Due to the fermentation process's technical complexity and growing demand for immediate fermentation capacity, pharmaceutical and biopharma companies have started leaning on outsourcing partners such as CDMOs to source fermentation-derived API as well as formulations. The outsourcing trend will continue to grow as smaller and virtual companies focused only on discovery contribute more heavily to the pharmaceutical pipeline and rely entirely on outsourcing partners for their manufacturing needs. In line with the growing opportunity for CDMO services and demand for custom synthesis, traditional API companies are also diversifying to offer contract services to formulation companies.

China's Dominance Being Replaced by India's Growth

China has traditionally dominated the small molecule fermentation APIs market and accounted for 70% of the global market supply until 2021. However, several API manufacturing units were shut down with the growing environmental and quality concerns, thus creating an opportunity for India to revive its fermentation API industry. A combination of the China Plus One strategy and conducive Indian government policies such as the PLI Scheme and bulk drug parks scheme is rapidly expanding India's capability in the key fermentation products to meet global needs.

Leaner Competition and High Barriers to Entry

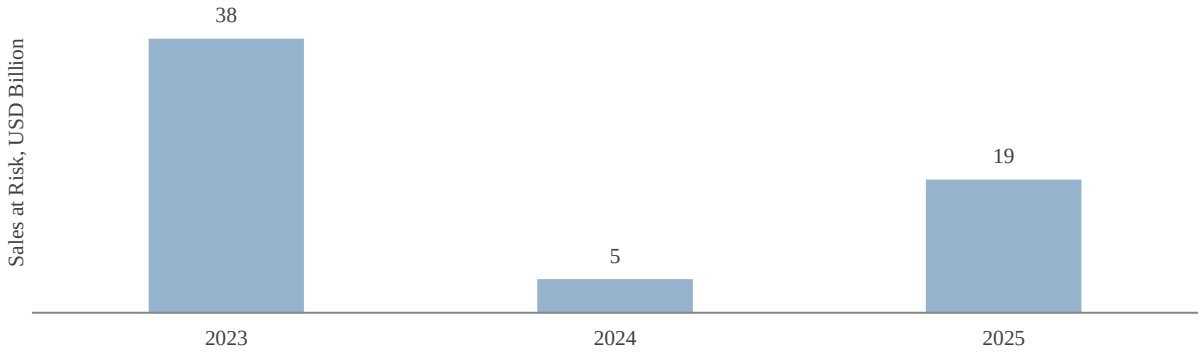
Fermentation, particularly the semi-synthesis process, requires microbial fermentation, separation, and purification to obtain intermediate products and chemical synthesis to obtain final products. It involves several steps such as strain selection, fermentation process selection, scale-up, biological purification, chemical synthesis, etc., thus requiring multidisciplinary expertise. As a result, synthesis technology routes and process parameter control are highly complex. Multiple technological scale-up parameters affect product yield, cost, and quality. Therefore, production, storage, and use require fine control. Since fermentation requires complex factors, there are relatively high entry barriers for new companies, resulting in fewer manufacturers that offer API based on fermentation products.

Market Drivers

The advantages of fermentation over other synthesis routes are prompting greater adoption of fermentation technology, and the growing demand for traditional fermentation-derived products serves as a key market driver for APIs. The starting materials for fermentation are low-cost and often agricultural waste/ by-products that can be recycled. Fermentation in comparison to chemical synthesis does not involve using as many harmful or toxic solvents or chemical raw materials, thereby avoiding producing dangerous waste.

Increasing API volume from genericization of fermentation-derived formulations: Several essential drugs will lose market exclusivity between 2023 and 2025. Many of these drugs were high-cost blockbuster (drugs with annual sale of more than USD 1 billion) biologics. With the loss of exclusivity and the launch of the low-cost biosimilar, the market volume of these drugs is expected to expand in line with improved affordability. According to Evaluate pharmaceutical data, there are a total of 22 fermentation-based biologic drugs expected to lose exclusivity between 2023 and 2025, opening approximately USD 60 billion (INR 4,458 billion) of opportunity. Simultaneously, almost four fermentation-derived small molecule drugs are also exposed to exclusivity loss between 2023 and 2025 and can lead to opportunities worth USD 280 million (INR 20,805 million). At the same time, fermentation-derived formulations such as antibiotics, antifungals, vitamins, and hormone preparations, though already genericized, are also witnessing growth from emerging markets, thus driving the demand for relevant API.

Fermentation-based Formulations at Risk of Patent Expiry: 2023 to 2025



Source: Frost & Sullivan Analysis, Evaluate Pharma

Note: Sales at risk denote the sales of the asset in the previous year

Key Entry Barriers

The need for technical expertise and capital for infrastructure development keep the entry barriers high and competition lean.

Capital Intensive Infrastructural Requirements

Yeast and microbial organisms consume large amounts of water and nutrients, making pharmaceutical fermentation processes resource-heavy. Additionally, provisions for effluent treatment facilities and disposal of biologically hazardous waste add to the infrastructural cost of manufacturing.

Operational Requirements

Large-scale production of APIs requires large-scale fermenters, which can be capital intensive. Cleaning, sterilizing, and maintaining these fermenters also add to the high operational requirement.

Technological Expertise

Due to the involvement of live organisms (microbes and the cell line hosts) in API manufacturing, maintaining the operational environment to prevent contamination and meet regulatory standards is critical. Proper handling of the cell lines, microbial organisms, and the operation of fermenters demands significant technical expertise.

Risk of Contamination

Due to the use of living organisms, the fermentation APIs are prone to a high risk of contamination. These processes require strict cGMP-compliant facilities. Due to the involvement of diverse micro-organisms such as bacteria, yeasts, and fungi, there are high chances of cross-contamination, resulting in productivity loss.

Raw Material Supply and Price Volatility

Since raw materials for fermentation products are often naturally derived, such as grains, the supply and pricing depend on weather conditions, harvest, and natural disasters and can significantly impact the cost of the final API.

The capital-intensive infrastructural requirements, and need for technological expertise have led to high barriers to entry for new entrants

Competitive Landscape

According to the 2017 Newport data, there are more than 3,000 API manufacturers worldwide. However, only 542 API manufacturers can meet the cGMP requirements, and most of these companies are based in the United States, Europe, Japan, China, and India. The number shrinks further for fermentation API companies. As opposed to chemical API companies, there are limited number of companies globally that have successfully and sustainably established and scaled up fermentation-based API manufacturing capabilities, as evidenced by plant closures in India and China. This results from the fact that fermentation is a challenging process, as it involves working with microbial strains and culture, controlling multiple process, and performing various purification steps. Small modifications to the process may lead to relatively large variances in the outputs. Complex technical capabilities, difficulties in scaling up operations and the substantial capital investments have resulted in significant barriers to entry in the fermentation-based API space. According to industry sources, small molecule fermentation API companies are largely concentrated in Asia, with China accounting for more than 50% of the global supply.

Selected Fermentation-based API Companies and their Active DMFs for Relevant Products

Molecule	Concord Biotech	Biocon	Brightgene	CCSB	CKD Bio	Hisun	Huadong Medicine	Teva
Cyclosporine	✓✓✓				✓✓		✓✓✓	✓✓✓
Dactinomycin	✓					✓		
Everolimus	✓✓✓	✓✓	✓✓	✓✓	✓✓		✓	
Lovastatin	✓✓	✓				✓✓		✓✓
Midostaurin	✓			✓				
Mitomycin	✓✓					✓		✓
Mupirocin	✓✓						✓✓	✓✓

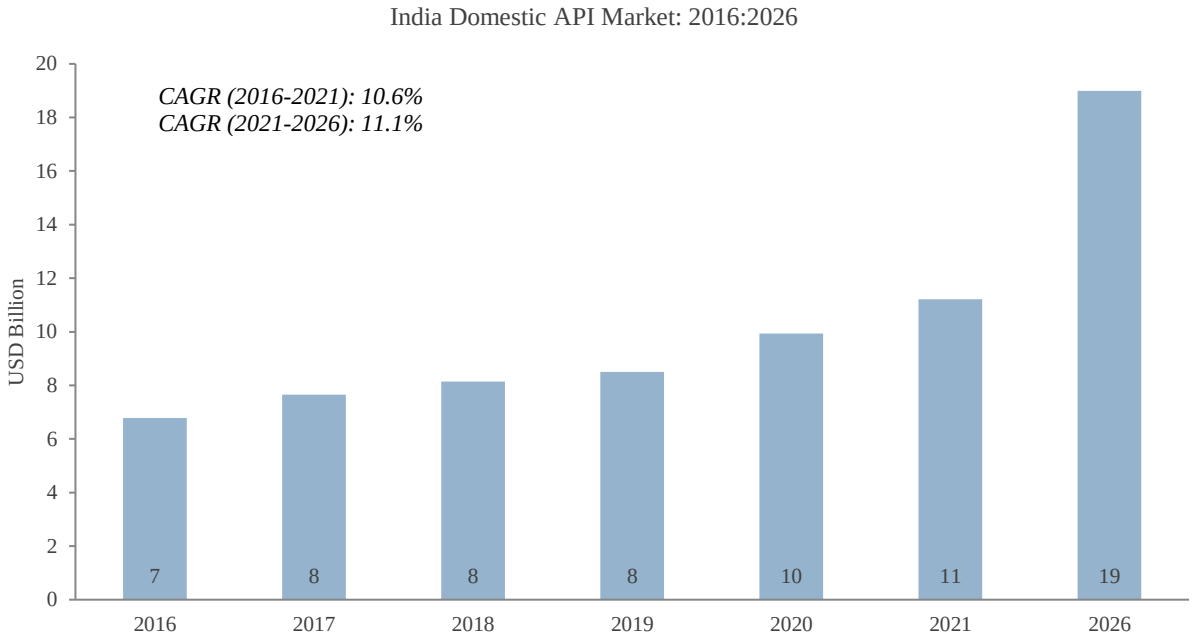
Molecule	Concord Biotech	Biocon	Brightgene	CCSB	CKD Bio	Hisun	Huadong Medicine	Teva
Mupirocin Calcium	✓✓						✓✓	✓✓✓
Mycophenolate Mofetil	✓✓✓	✓✓		✓	✓	✓✓		✓✓✓
Mycophenolate Sodium	✓✓	✓		✓				✓
Mycophenolic Acid	✓					✓		
Pimecrolimus	✓	✓	✓					
Pravastatin	✓✓	✓✓✓		✓✓✓		✓✓✓		✓✓✓
Romidepsin	✓							✓
Sirolimus	✓✓	✓	✓	✓✓		✓		
Staurosporine	✓		✓					
Tacrolimus	✓✓✓	✓✓		✓✓✓	✓✓	✓✓	✓	✓✓✓
Temsirolimus	✓	✓				✓		
Vancomycin	✓✓				✓✓			✓

Legend:
✓*: US DMF*
✓*: Japan DMF*
✓*: Europe (CEP/COS)*
Source:, Frost & Sullivan Analysis, Pharmacompass

India API Market

India's growth trajectory of the API market is well-cemented for domestic API consumption as well as exports. The Indian API market, valued at USD 15 billion (INR 1,115 billion) in 2021, comprises APIs manufactured for export and APIs consumed in formulation manufacturing. These formulations are domestically consumed as well as exported to the global market. While API exports accounted for USD 4 billion (INR 297 billion) in 2021, APIs required for formulation manufacturing amounted to USD 11 billion (INR 817 billion) in 2021.

The total domestic India API market (APIs consumed for exported and domestically consumed formulations) is expected to grow at a CAGR of 11.1% between 2021 and 2026. The API consumption for domestic formulations is also expected to drive high demand in the next four to five years. This growth is in line with the overall growth of pharmaceutical drug consumption in the country. As disease patterns shift from acute to chronic and translate into high drug (and API) volume consumption, access to healthcare facilities and affordable medicine increases, and economic prosperity grows, the growth of the API industry is projected to follow suit. The export during the same period is also expected to grow at a rate of 7% to 9%, but the rate is forecasted to remain lower (than the domestic API market) as Indian formulation manufacturers expand capacity, reduce import dependence, and consume increasing amounts of domestically-produced APIs.



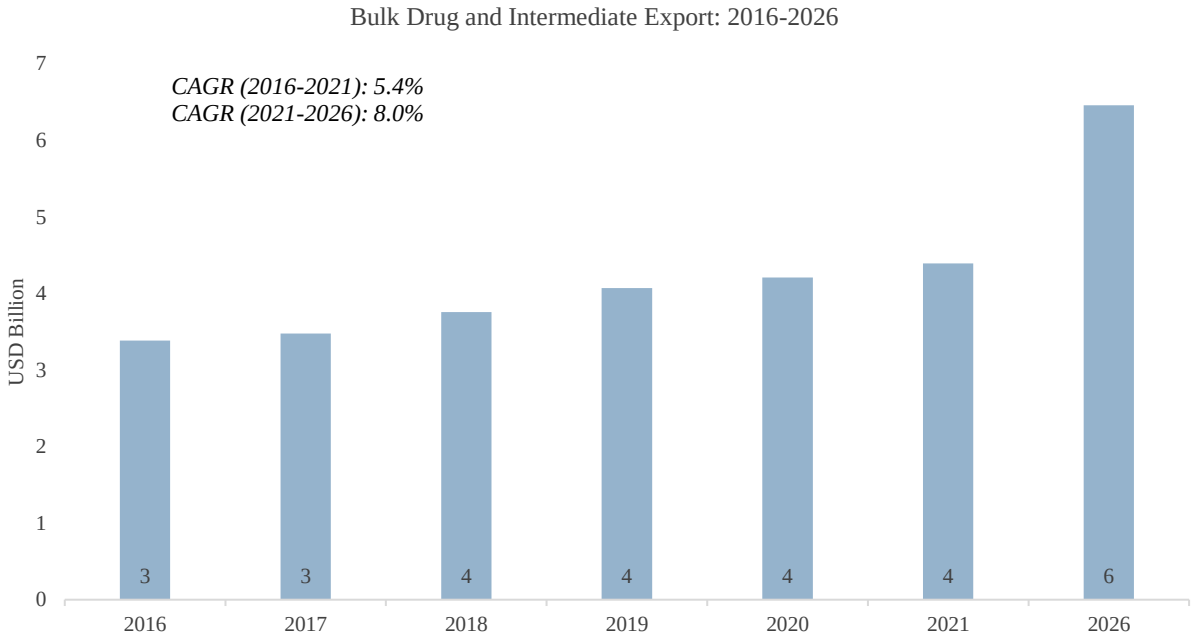
Source: Frost & Sullivan Analysis, IBEF
Note: Excluding API exports, but includes APIs and Intermediates

Export of Bulk Drugs from India

As India reduces its import dependency and expands its domestic manufacturing capacity, the exports are also expected to grow.

While India does import some bulk drugs, it is also one of the largest API exporters to regulated markets. High process efficiencies, the experience of working with regulatory bodies across the globe, and cost competitiveness have allowed India to emerge as one of the world's largest API suppliers. In 2016, India exported USD 3 billion (INR 231 billion) worth of APIs, which increased to USD 4 billion (INR 327 billion) in 2021. The bulk drugs have mostly been exported to the United States, where bulk drugs and intermediates worth USD 447 million (INR 33,213) were exported in the calendar year 2021, followed by China (6% share), Brazil (4% share), Bangladesh (4% share), Germany (4% share), and Japan (3% share).

There has been a multi-fold increase in API exports from India since the COVID-19 pandemic, due to reasons including the disruption of supply from China, leading to a shortage of several APIs and intermediates, high price volatility, and quality and pollution concerns (such as impurities) leading to factory shutdowns. It strengthened the adoption of the China Plus One strategy by several MNCs. As global pharmaceutical manufacturers started seeking new cost-effective partners, India owing to its existing strength in the segment and impetus from government policies (such as PLI and Bulk Drug Parks), was able to capture the opportunity.



Source: Frost & Sullivan Analysis, Commerce.gov.in,
Note: Estimated average growth rate, as per data accessed on 16th July 2022

Competitive Advantages of India in the API Industry

Cost competitiveness coupled with robust infrastructure and strengthening patent laws differentiate India as an API production destination.

Strong Chemicals Industry Offering a Foundation for Intermediates and API Manufacturing

India already has one of the world's largest specialty chemical industries and produces over 70,000 products. According to the IBEF, India is the sixth-largest producer of chemicals globally and the third-largest producer in Asia in terms of output. This provides the necessary foundation to manufacture intermediates and KSMs, including premium quality and advanced intermediates.

Strong R&D Backbone Allowing for Process Optimization

Intensive investment in R&D is required to produce APIs cost-effectively, mitigate the risk of poor quality, and reduce environmental degradation. India has a solid technical education infrastructure, including 3,500 engineering colleges, 3,400 polytechnics, and 200 schools of planning and architecture. In addition, India also has an emerging startup ecosystem and growing bilateral partnerships with several countries in the West for research. The strengthening R&D backbone allows for continuous improvement in large-scale manufacturing and product quality.

Government Initiatives Expanding Manufacturing Capacity

Fueled by an 'Atmanirbhar' drive and growing preference for India-made pharmaceutical raw materials, the government has introduced several initiatives to increase the capacity of production as well as make production more cost-effective. In addition to raising the FDI cap and implementing new intellectual property ("**IP**") rights framework to attract innovator companies, the Government of India is also driving clustering programs and production-linked schemes. The PLI Scheme will also incentivize API companies to expand capabilities into complex areas such as fermentation.

Legacy of Serving Highly Regulated Markets for API and Finished Formulations

India has been a leader both in terms of the numbers of U.S. DMF filings as well as operating U.S. FDA-approved API facilities. According to Pharmacompass data, in 2021, India accounted for 56% of DMF filings totaling 376 DMFs from a total of 667 filed globally in the year. Likewise, in 2021, India accounted for 28% (208 facilities) of the share of U.S. FDA-approved API plants, almost twice that of the United States (104 facilities) and China

(123 facilities), and 25% (335 facilities) share in the overall formulations and APIs plants combined. This proficiency in API and formulations allows India to meet global API demand and offer end-to-end formulation solutions to customers.

Cost Competitiveness Allows Global Pharmaceutical Manufacturers to Navigate Increasing Pricing Pressures

Increasing pricing pressure on pharmaceutical drugs from the healthcare systems and insurers has put pressure on profit margins. As a result, formulation manufacturers seek APIs and other raw materials at a competitive price without compromising quality. India offers substantial cost advantages compared to western countries. Firstly, according to industry inputs, the cost of setting up a fully FDA-inspected plant in India is, on average, 50% less than the developed countries. Secondly, compared to the West, the cost of manufacturing and operations is almost 40% to 70% lower in India. Lastly, labor costs are also 60% to 70% lower than western peers.

Market Drivers

The potent combination of increasing domestic pharmaceutical demand, shifting of API sourcing from China to India, and growing capability and capacity of Indian manufacturers will drive growth of the Indian API market. Domestic volume consumption of drugs is increasing given the increasing prevalence of chronic diseases and several drugs going off-patent, which will allow the introduction of new low-cost products and thus drive API volume growth.

Increase Prevalence of Chronic Diseases

The Indian population experiences a wide range of diseases, ranging from acute diseases such as diarrheal disease and lower respiratory tract infections to chronic diseases such as diabetes and cardiovascular disease. According to the National Centre for Biotechnological Information, about 27% of Indian adults suffer from cardiovascular disease, and 18% are diagnosed with diabetes, with the prevalence being much higher in urban areas than rural areas. Further, according to the Cadi Research Foundation, the prevalence of hypertension ranges from 20% to 40% in urban adults and 12% to 17% among rural adults. Increased prevalence of chronic disease will lead to increased use of pharmaceutical products and thus APIs.

Growth in Generic Drugs Segment

According to Evaluate Pharma data, there are nearly 20 blockbuster drugs which have patents expiring between 2021 and 2026, and more than 200 drugs overall as of 2021. With the loss of exclusivity, generic and biosimilar products are launched in the market, often at a substantially lower price. It allows for greater access to medicines, especially in generic dominant countries such as India. As more generic drugs will be introduced in the market, there will be a volume growth of new products, driving demand for their corresponding APIs.

Growth in Formulations Export

According to the IBEF, India is the largest manufacturer of drugs, next only to China and Italy in terms of volumes and is 12th globally in terms of value. Indian companies also secure, on average, 30% to 35% of ANDA approvals every year and hence are one of the most reliable generic drug formulation exporters for regulated markets. As Indian companies keep expanding their export potential, the demand for relevant APIs will also increase.

Increasing Adoption of Innovator Drugs

With the increase in purchasing power of the population stemming from a growing middle class, consumers are increasing their discretionary spending on healthcare. As the domestic demand for new-age drugs with high-value APIs increases, API companies will expand their capabilities to cater to demand for products such as HPAPI or drug conjugates and will consequently be able to meet global demands for similar products.

China Plus One Strategy Expanding India's Export Potential

Under the "China Plus One" strategy, multinational firms are partnering with countries in addition to China for their raw material and service needs. India, in particular, stands to benefit from this strategy owing to its existing API manufacturing infrastructure, large and skilled workforce, competitive labor prices, and fast-growing manufacturing capacity in specialty products.

Favorable Government Schemes

To promote the manufacturing segment, the government has launched several initiatives such as Atmanirbhar Bharat and, more specifically, the PLI Scheme for KSMs, drug intermediates, and APIs and the promotion of bulk drug parks. These schemes will allow India to reduce its dependence on China and expand its export potential.

Capital Inflow from Investors Ensuring Expansion and Improvements in Capabilities

Bulk drug manufacturing is a capital-intensive industry with a rapid technological turnaround. The overall industry has been buoyed by the increasing government and private equity investment in API manufacturers. It gives manufacturers access to capital to invest in new technology, implement high-quality standards, and expand manufacturing capacity. For example, according to a press report by the Economic Times, in India alone, mergers and acquisitions and private equity transactions in the API space more than doubled during 2021 to USD 800 million (INR 59,442 million) compared with USD 293 million (INR 21,405 million) in 2020 and just USD 30 million (INR 2,138 million) in 2019.

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Competitive Landscape

Given the Indian API market's attractiveness, there are several competitors, and the market remains fragmented. The India API manufacturing market is fragmented, with almost 200 companies catering to the U.S. market alone. Some of the domestic companies include Concord Biotech, Divi's Laboratories Ltd. ("**Divi's Labs**"), Laurus Labs Ltd. ("**Laurus Labs**"), Shilpa Medicare Ltd. and Neuland Laboratories Ltd. While some of these companies are pure-play API companies such as Divi's Labs, some are forward-integrated and manufacture formulations such as Laurus Labs.

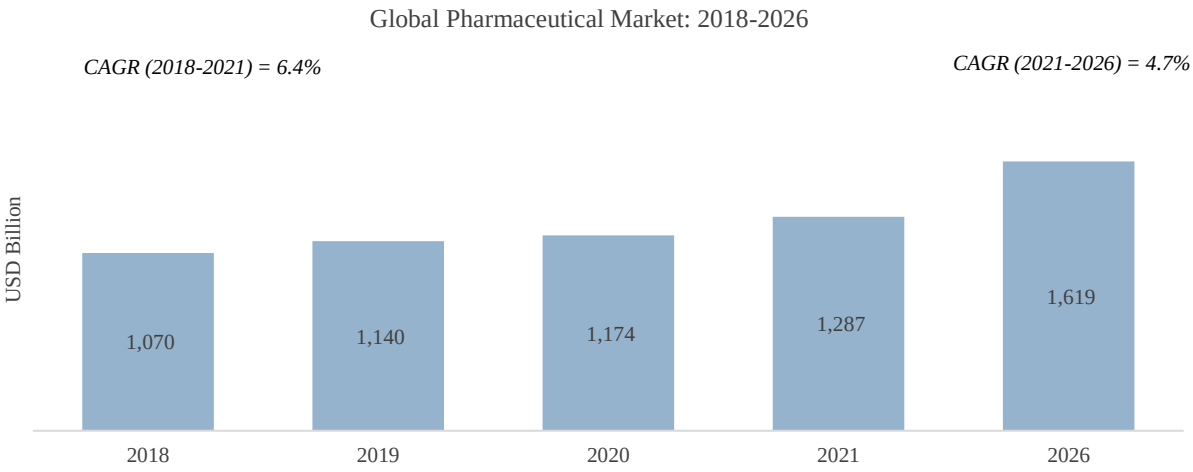
To draw differentiation in the highly fragmented and competitive market, companies have started evolving from traditional merchant market API suppliers to offering CDMO services for custom API development, manufacturing, and differentiated technologies.

Global Pharmaceutical Market Overview

There is unimpeded growth in the pharmaceutical industry with diverse dynamics across product technology, geographies, and disease areas. The global pharmaceutical industry is undergoing transformation across the entire value chain owing to a focus on product innovation, operational optimization, provider and patient engagement, and extrinsic pressure from governments and insurers to contain costs. Amidst this transformation and associated inherent challenges, the industry has delivered ground-breaking innovations at high speed, such as during the COVID-19 pandemic, driving resilient industry growth.

Global Pharmaceutical Market Size

The global pharmaceutical market was estimated to be USD 1.3 trillion (INR 97 trillion) in 2021 *(Source: IQVIA MIDAS Dataset)* and is expected to reach USD 1.6 trillion (INR 119 trillion) by 2026 growing at a CAGR of 4.7% from 2021 to 2026.



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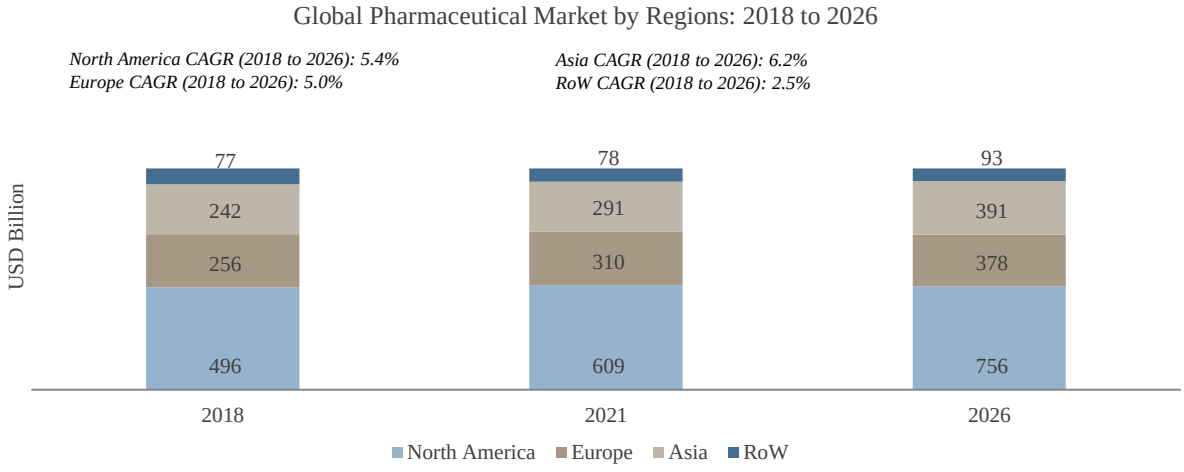
The increased growth in 2021 is attributable to the utilization of vaccines and COVID-19 therapeutics. However, with COVID-19 cases declining, other therapeutic areas will again drive growth. Traditional and amplifying contributors of growth to the segment include aging populations with increasing incidence of chronic diseases and sedentary lifestyles leading to obesity, diabetes, and other costly health conditions. In addition, there is improving healthcare infrastructure and access in the emerging markets, which are driving high levels of demand. The pharmaceutical industry has responded to these versatile demands by launching new therapies with curative potential, improving existing therapies by making them more targeted, and launching low-cost generic drugs to make medicine more accessible and affordable.

Global Pharmaceutical Market by Regions

While the United States and Europe are currently the dominant sales value contributors to the pharmaceutical market, emerging markets in the Asia-Pacific are expected to have the highest growth. North America dominated the global pharmaceutical market, accounting for 47% of the total market sales value in 2021 *(Source: IQVIA MIDAS Dataset)*. This is largely due to high healthcare expenditure and high research and development ("**R&D**") investment in new therapies. Europe has also been a destination for R&D and the launch of new medicines and additionally benefits from broad reimbursement coverage and high treatment rates.



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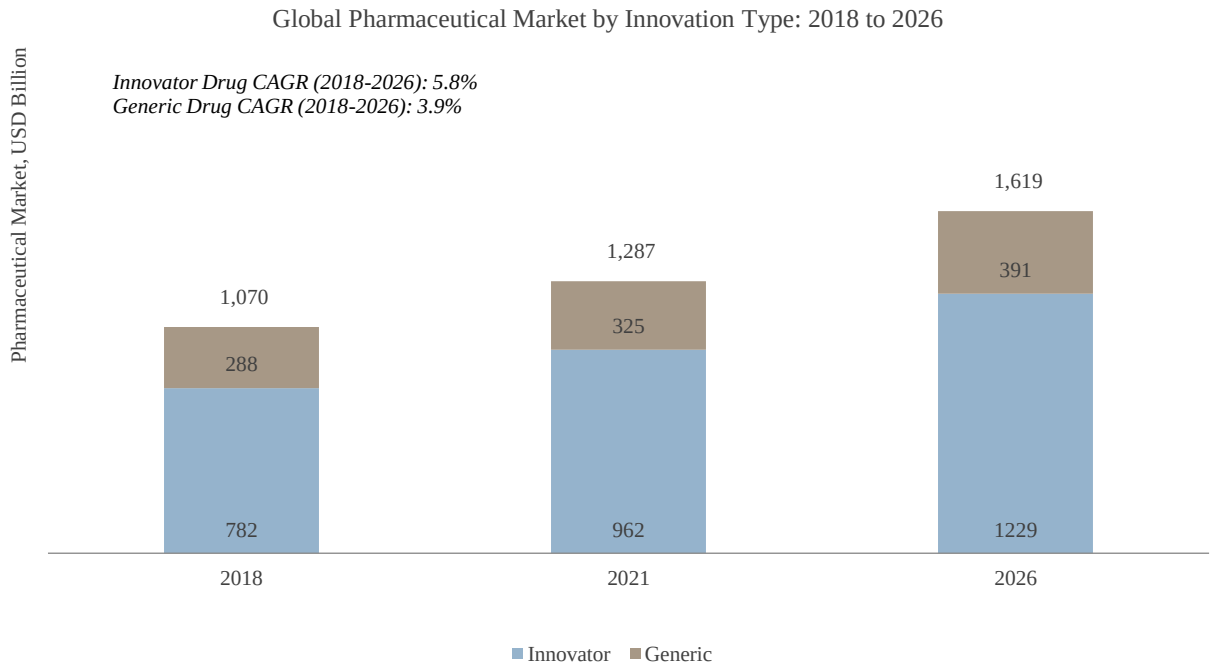
Global Pharmaceutical Market by Innovation Type

The generic drugs segment has grown amidst increasing cost pressure, advancement in complex generics, and a looming patent cliff. The increasing consumption of pharmaceutical drugs has put significant financial pressure on global healthcare systems, encouraging governments to adopt pro-generic drugs strategies. In emerging

markets, widespread launches and adoption of generic drugs have made drugs more accessible to the larger population. As a result, generic drugs accounted for 25% of the total pharmaceutical market by sales value in 2021 *(Source: IQVIA MIDAS Dataset)* and are expected to grow at a CAGR of 3.7% between 2021 and 2026 to reach a value of USD 391 billion (INR 29,052 billion) in 2026. The proportion of generic drugs is more pronounced in the small molecule segment, which accounted for almost 38% of the market by sales value in 2021 *(Source: IQVIA MIDAS Dataset)*.



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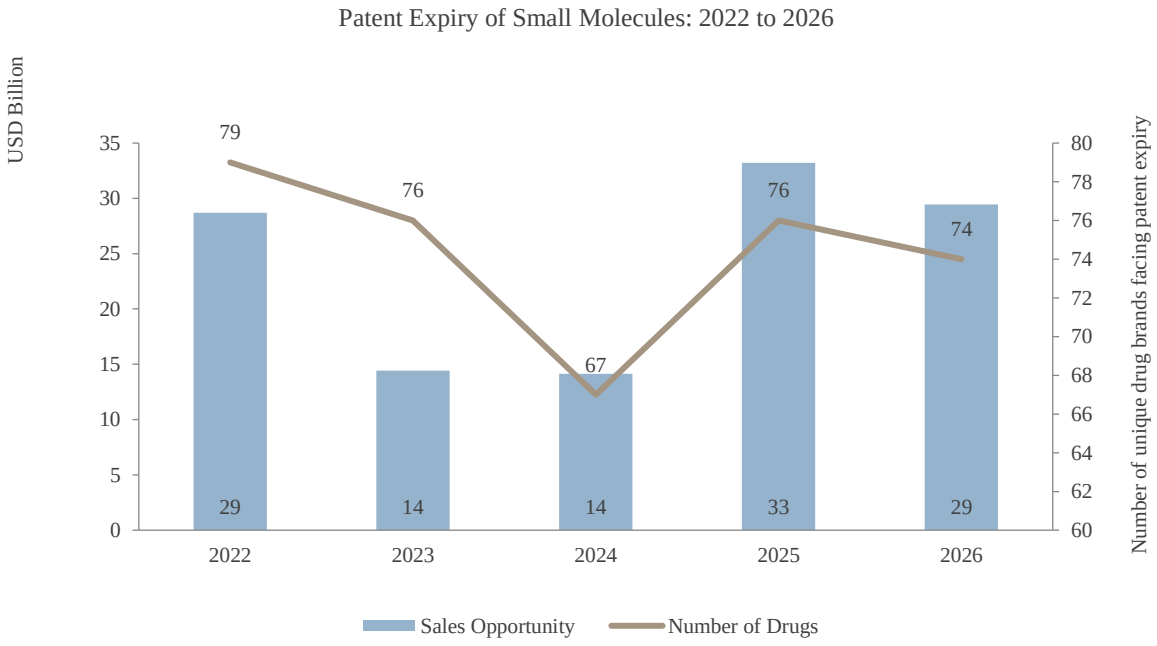
In terms of value opportunity, between 2022 and 2026, an estimated USD 120 billion (INR 8,916 billion) worth of opportunity is becoming available in the small molecule generic drugs market as several drug patents are set to

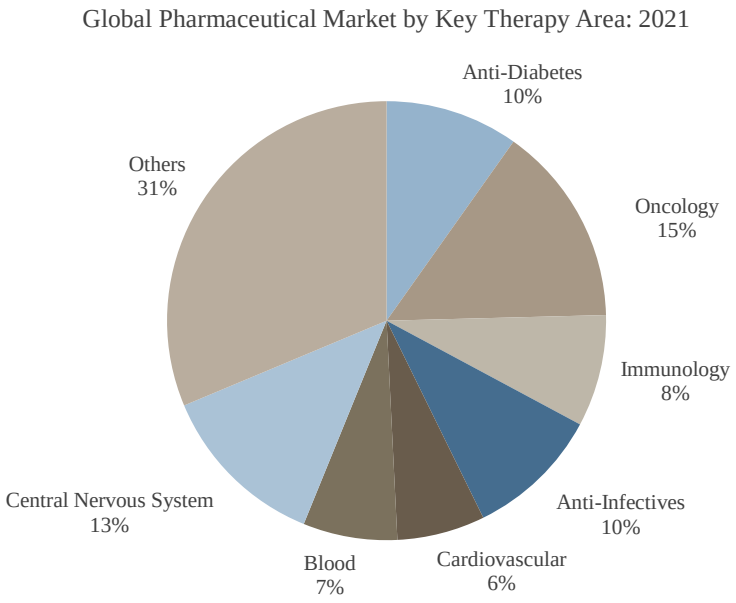


expire.

Source: Frost & Sullivan Analysis, Evaluate Pharma

Global Pharmaceutical Market by Therapy Area

Oncology and immunology are expected to be the fastest-growing segments, with a renewed focus on anti-infectives following the COVID-19 pandemic. The key therapeutic areas including oncology, immunology, central nervous system ("**CNS**"), anti-infectives, cardiovascular ("**CVS**") (comprising anti-hypertensives and anti-hyperlipidemic), anti-diabetics, and blood disorders (comprising anti-coagulants, antifibrinolytics, plasma expanders) accounted for nearly 70% of the total formulations market in 2021, of which anti-infectives, oncology, and immunology alone accounted for 33% and are discussed in detail below.

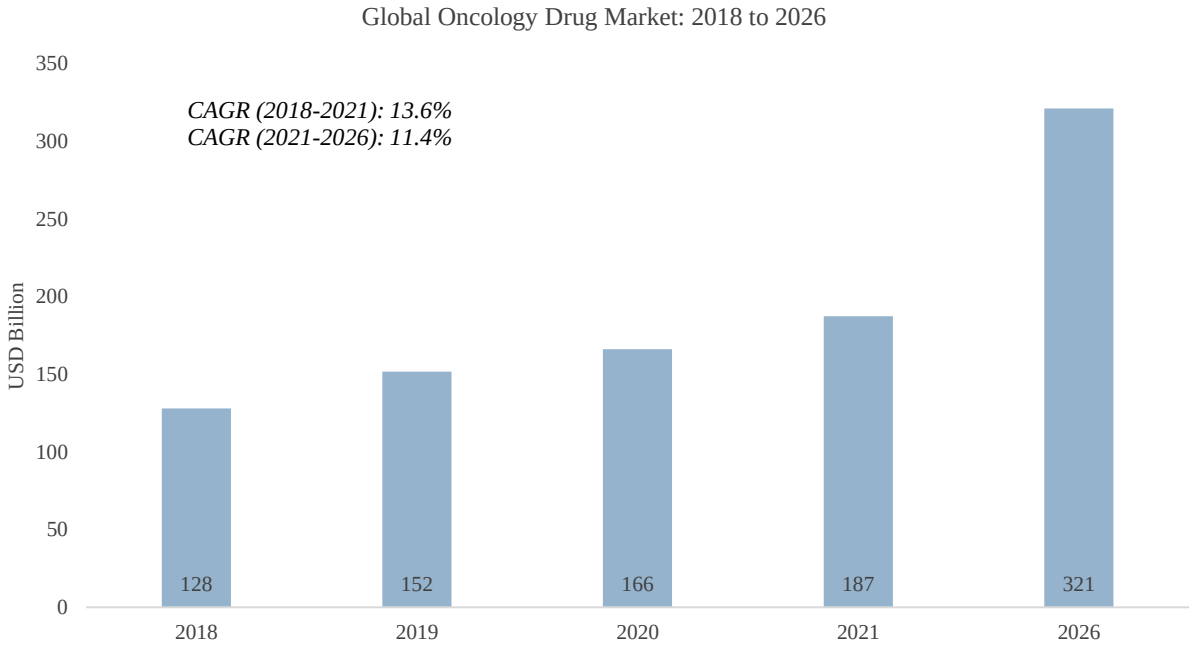


Source: Frost & Sullivan Analysis

Oncology Drug Market

The oncology drug market is driven by an increasing diagnosis of new cancer cases across the globe, a high number of blockbuster drugs, and a robust pipeline of drugs. The care paradigm of cancer has changed substantially over the last few decades, where the introduction of innovative life-saving drugs has transformed the once untreatable disease into a chronic disease. The drugs are also becoming more targeted in action, thus substantially improving the survivability and quality of a patient's life.

Oncology Drug Market Trends



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The oncology drug market accounted for 15% of the formulations market in 2021. The high oncology spending is driven by improved screening protocols and early disease diagnosis, continued momentum of innovation in targeted and curative therapeutics, longer treatment durations, and wider access to cancer drugs in emerging markets. The oncology drug market has retained the top spot among the therapeutic areas in the last five years, growing at a CAGR of 13.6% in terms of sales value between 2018 and 2021 *(Source: IQVIA MIDAS Dataset)*. It is also expected to achieve a CAGR of 11.4% between 2021 and 2026 to reach a value of USD 321 billion (INR 23,851 billion) in 2026.

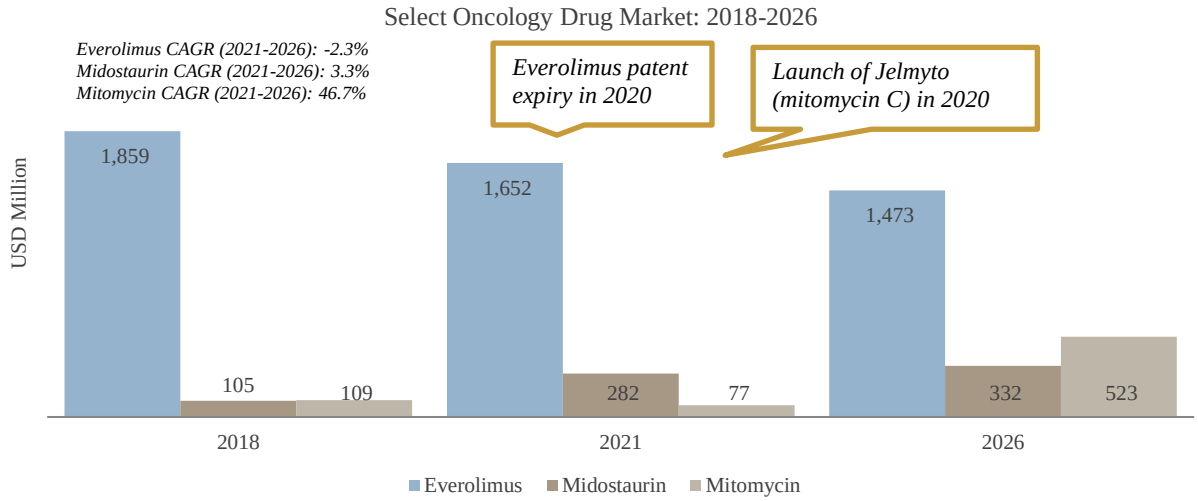
Small molecules, because of their low weight and high permeability (ability to pass through cellular membranes to engage intracellular targets), play a central role in the cancer treatment continuum. In addition to the inherent chemical and biological benefits of small molecules, innovation focused on making them more targeted in action is expected to drive future growth. As a result, small molecules accounted for 51% of the total oncology drug market in 2021, contributing to USD 96 billion (INR 7,133 billion).

The generic component of the oncology drug market experienced a CAGR of 1.9% from 2018 to 2021, while the innovator component experienced a higher CAGR of 9.4% from 2018 to 2021

Fermentation technology has played a key role in the oncology market. According to a Journal of Natural Products publication, more than 60% of the present (approved between 1981 to 2019) anti-cancer/anti-tumor drugs were naturally derived from sources such as plants and micro-organisms. Studies suggest, natural products can potentially suppress or inhibit cancer progression and involve the reversal of progression.

Select Oncology Drugs

Some of the drugs derived from natural products through fermentation are discussed below.



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EVEROLIMUS

Everolimus is prescribed for the treatment of breast cancer and tuberous sclerosis complex and for prophylaxis of organ rejection in adult patients receiving organ transplants. Since its patent expiry in 2020, at least seven companies have received ANDA approval for generic drug launches in the United States. Currently, almost 54 companies sell Everolimus formulations across the globe. The top three companies accounted for 93% of the market share in 2021, with Novartis accounting for a lion's share of 80% in the same year. Other market players include Hikma Pharma and Endo International. Since the launch of the generics, they have been gaining an increasing market share and accounted for 19% in 2021, up from 2% in 2019. The highest demand for Everolimus was in North America, which accounted for 54% share, followed by Europe, with a share of 31% in 2021. Since the launch of generic drugs, there has been a spike in demand from the Asian major markets, which accounted for 10.3% of the share in 2021, up from 8.5% in 2019.

MITOMYCIN

Mitomycin was launched before the 1980s for use in gastric and pancreatic carcinomas combined with other chemotherapeutic agents. Since then, mitomycin has been used extensively as an injectable in combination chemotherapy such as for various solid tumors, including pancreatic, bladder, cervical, and stomach tumors. In 2012, Mobius Therapeutics LLC received approval for an ophthalmic version of mitomycin (Mitosol) for use in glaucoma patients. In 2020, UroGen pharmaceutical Ltd. gained additional FDA approval for the sustained release format of the drug (branded as Jelmyto) for use in adults with low-grade upper tract urothelial cancer. While the patent for these two brands is expected to expire after 2023 (According to Evaluate Pharma), several generic versions are available for older injectable versions. 51% of the market was held by Medac GmbH and 19% by Intas in 2021, with other market players including Archis Pharma LLC, Kyowa Kirin Co., Ltd., and Dr. R. Pfleger GmbH. Generic formulations accounted for 100% of the market in 2021, and the greatest demand for the drug was from Europe, which alone accounted for 61% share in 2021. While the demand contribution from Europe and the Asian region is on the rise, the share of demand in North America has declined from 37% in 2019 to 25% in 2021.

MIDOSTAURIN

The drug was first approved in 2017 for treating adult patients with newly diagnosed acute myeloid leukemia ("**AML**") who are FLT3 mutation-positive ("**FLT3**+") in combination with standard cytarabine and daunorubicin induction and cytarabine consolidation. The drug is also approved by the FDA for treating adults with aggressive systemic mastocytosis ("**SM**"), SM with associated hematological neoplasm, or mast cell leukemia. Novartis sells Midostaurin under the brand name Rydapt.

According to Evaluate Pharma, the drug is expected to lose its patent in 2030. Therefore, in 2021, 100% of the sales were generated from the patented version sold by Novartis (less than 1% of sales generated from Abacus Medicine Group and Orifarm Group A/S in 2021). The largest sales contribution came from Europe, which

accounted for a 63% share in 2021, followed by North America, which accounted for a 32% share in the same year.

Immunology and Immunosuppressant Drug Market

Immunosuppressant drugs are a class of drugs that suppress the body's immune system's strength and are used to prevent organ rejection. These drugs also treat autoimmune disorders such as lupus, psoriasis, and rheumatoid arthritis.

Organ Transplant Trends

One of the key areas of immunosuppressant drug use is in organ transplant patients to prevent acute and chronic organ rejection. The current sedentary and unhealthy lifestyles, increased alcohol consumption, smoking, and acute episodes such as sepsis, and trauma are some leading causes of organ failure. Today, transplantation of kidneys, heart, liver, lungs, pancreas, and small bowel are possible, for example.

According to the Global Observatory on Donation and Transplantation, the number of organ transplants in 2021 amounted to 105,000. This figure is projected to increase to 169,000 in 2026, with a projected CAGR of 10.1% from 2021 to 2026. Kidney transplant accounts for a majority of the number of organ transplant (63%), with liver being the next largest accounting for 23% of total.

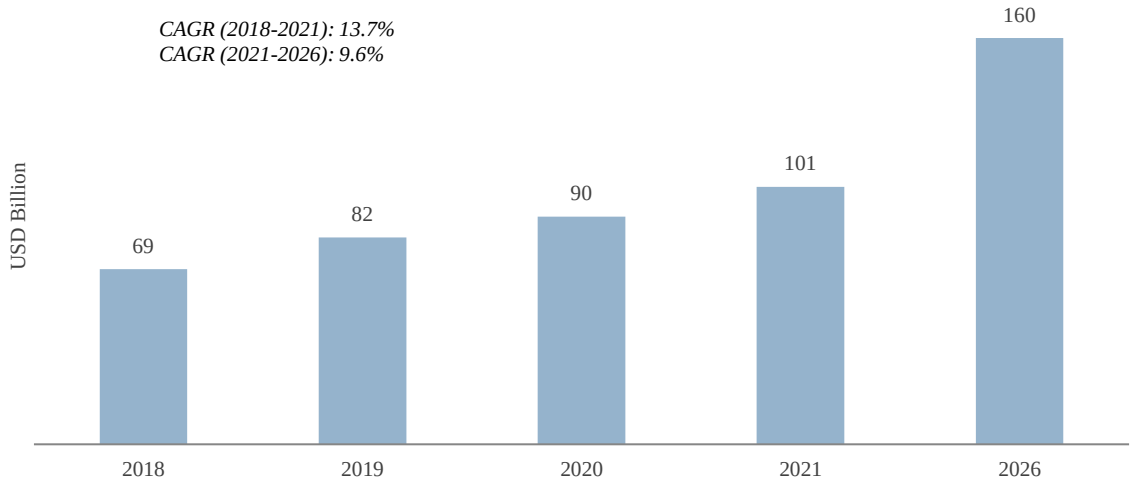
In 2021, North America dominated the number of transplants accounting for 42,000 transplants, an increase of almost 6% over 2020, indicating signs of recovery post-COVID 19. The entire American region accounted for 52% of the transplants in 2021, followed by Europe, which accounted for 27%. The three most transplanted organs included kidney, liver, and heart, accounting for almost 63%, 23%, and 7% of the total.

Patients are prescribed heavy doses of immunosuppressants to ensure successful transplantation. Immunosuppressive therapies prevent acute and chronic rejection, and these therapies are required in the long term until the immune system naturally accepts the transplanted organ.

Immunosuppressant Drug Market Trends

Immunology is the second-fastest-growing drug segment after oncology. The segment comprising immunomodulator, immunosuppressant, and immunostimulant drugs accounted for a 8% share by sales value in 2021 *(Source: IQVIA MIDAS Dataset)*, of which immunosuppressants accounted for more than 90% by sales value. The global immunosuppressant drug market was valued at USD 101 billion (INR 7,505 billion) in 2021 *(Source: IQVIA MIDAS Dataset)* and the sales value is expected to grow at a CAGR of 9.6% between 2021 and 2026. In addition to sales value growth from blockbuster drugs in the segment, there has been an increase in the average number of days of therapy, driving volume growth in the market.

Global Immunosuppressant Drug Market: 2018 to 2026



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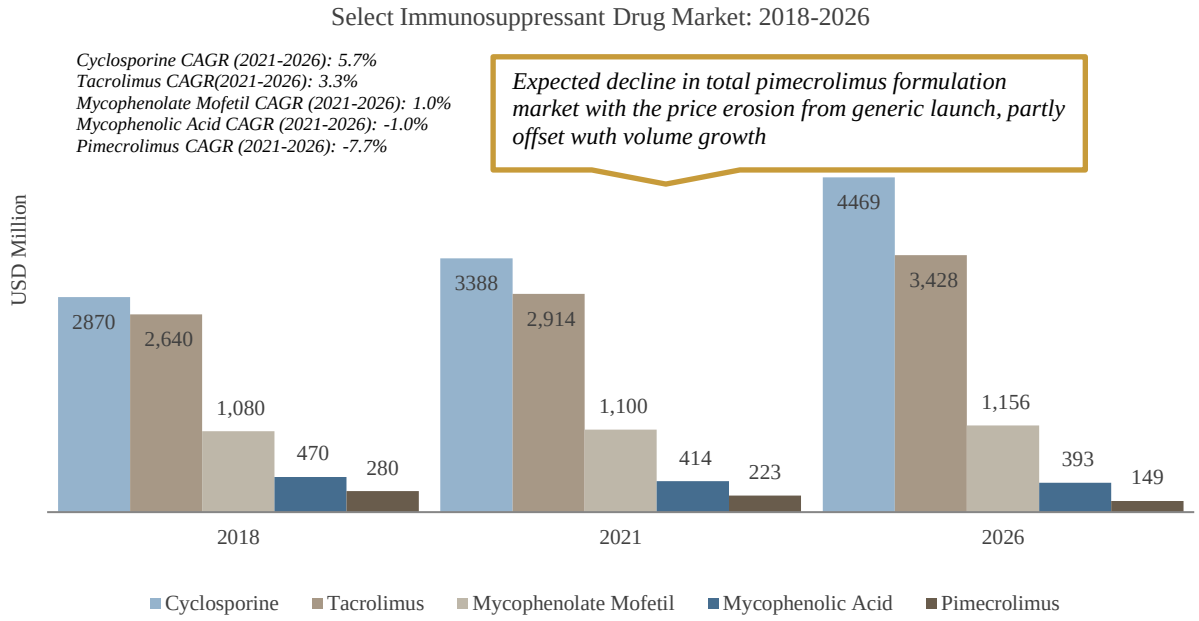
Select Immunosuppressant Drugs

The key drug classes include calcineurin-inhibitors such as cyclosporine and tacrolimus; drugs inhibiting cell proliferation such as mycophenolic acid (sodium) and mycophenolate mofetil; mTOR-inhibitors such as Everolimus and sirolimus; and corticosteroids that block the transcription of a broad range of proinflammatory genes at different levels.



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TACROLIMUS

Tacrolimus is a potent calcineurin inhibitor and an immunosuppressive agent indicated for preventing organ transplant rejection and treating moderate to severe atopic dermatitis. Initially approved by the FDA for use in liver transplantation, it is now prescribed to kidney, heart, lungs, pancreas, skin, cornea, and limb transplant patients. The originator owned by Astellas Pharma Inc. is sold under the brand names Prograf, Advagraf, Astagraf, and Graceptor. The product's patent expired in 2008, leading to the launch of several generic versions such as by Dr. Reddy Labs Ltd., Panacea Biotech Ltd., Sandoz and Mylan N.V. Other formulation companies include Novartis, LEO Pharma A/S, Huadong Medicine and Asahi Kasei Pharma Corporation. There is an ongoing evolution in the formulation of tacrolimus. Companies have been introducing new versions of the tacrolimus product, such as extended-release, controlled release, or formulations with reduced dosing requirements. Moreover, as healthcare infrastructure in emerging markets, particularly in the Asia-Pacific, is improving and the number of transplants increasing, a large part of the growth is expected to be generated from these markets. In 2021, the Asian market contributed the highest sales, followed by the European market, accounting for 44% and 31%, respectively.

CYCLOSPORINE

Cyclosporine is a steroid-sparing calcineurin inhibitor used as an immunosuppressant for preventing organ rejection in kidney, liver, and heart allogeneic transplants. It is also prescribed for psoriasis, rheumatoid arthritis, and uveitis. In addition, to use as an immunosuppressant, cyclosporine is also used as a tear secretion enhancer. Initially marketed by Novartis, Cyclosporine is sold as Neoral, Sandimmune, and Restasis by AbbVie. Novartis generated USD 350 million (INR 26,006 million) in gross revenue in 2021, experiencing a decline of 5% over the previous year due to increased generic competition. AbbVie generated USD 2 to 3 billion gross revenue in 2021. The earliest patent loss for the product was in 1995, and since then, more than 10 different companies have launched generic formulations for Sandimmune. Restasis, though, has held ground and fended generic launch from 2014 until early 2022. In 2021, Novartis, AbbVie, Huadong Medicine, and Sun Pharmaceutical collectively accounted for 90% of the market share. North America alone accounted for more than 79% of the total sales value, and Europe and Asia each accounted for an almost equal share of 8% to 10% in 2021.

MYCOPHENOLIC ACID / MYCOPHENOLATE SODIUM

Mycophenolate sodium is the sodium salt of mycophenolic acid sold under the brand Myfortic by Novartis. It is mainly used as an immunosuppressive prophylactic to prevent rejection during organ transplantation in combination with other drugs, i.e., cyclosporine and corticosteroids. It is specifically used to slow down the body's immune system response during kidney transplants. The drug was originally launched in 2002 and its patent expired in 2014. Currently, the drug is sold by its originator Novartis, and generic manufacturers, including Biocon Limited, Apotex, and Alkem Laboratories Limited ("**Alkem**"). In 2021, the top five formulation companies accounted for 94% of the market share with, Novartis alone accounting for 69% of sales value. In the same year, the greatest demand was generated from North American markets accounting for 38% share. European markets accounted for 28% share in the same year. There has been an increase in demand from the Asia-Pacific region, with an increasing market share from 23% in 2019 to 30% in 2021.

MYCOPHENOLATE MOFETIL

Mycophenolate Mofetil is an inosine monophosphate dehydrogenase ("**IMPDH**") inhibitor indicated for use in combination with other immunosuppressants for the prophylaxis of organ rejection in patients receiving renal, hepatic, or cardiac transplants. Besides transplant, it has been used successfully in primary and secondary glomerulopathies, uveitis, Crohn's disease, rheumatoid arthritis, and lupus. The drug has been in use since the 1990s and was initially launched by Roche under the brand name CellCept. Since the patent expiry in 2007, several companies such as Huadong Medicine, Teva, Alkem, and Intas have introduced generic versions. In 2021, Mycophenolate Mofetil-based formulations generated sales value of USD 1billion (INR 74 billion), with the largest contribution from Asian countries. In 2021, Asia accounted for nearly 45% of the market share by sales value, followed by EU5 and North America, accounting for approximately 20% of the share (each) in the market.

PIMECROLIMUS

Pimecrolimus is sold under the trade name Elidel and is prescribed as a second-line therapy to treat mild to moderate atopic dermatitis (eczema) in patients who have already been treated with other medicines that did not work well. Pimecrolimus belongs to a class of medicines known as topical calcineurin inhibitors that decrease inflammation. The drug was originally launched in 2001 to 2002 by Bausch Health Companies. The drug's patent expired in 2015 and opened U.S. markets for Teva and Glenmark in the United States. The launch of generic drugs in this segment is expected to cause price erosion that may lead to a decline in the total pimecrolimus formulation market in the future. In 2021, the largest market share (71%) was held by Bausch Health Companies Inc. and Viatris Inc., selling the innovator drug. Sales from North America accounted for 60% of the market in 2021. The highest gain has been witnessed in European sales, which contributed 17% of sales in 2019 and 23% in 2021.

Anti-Infectives Market

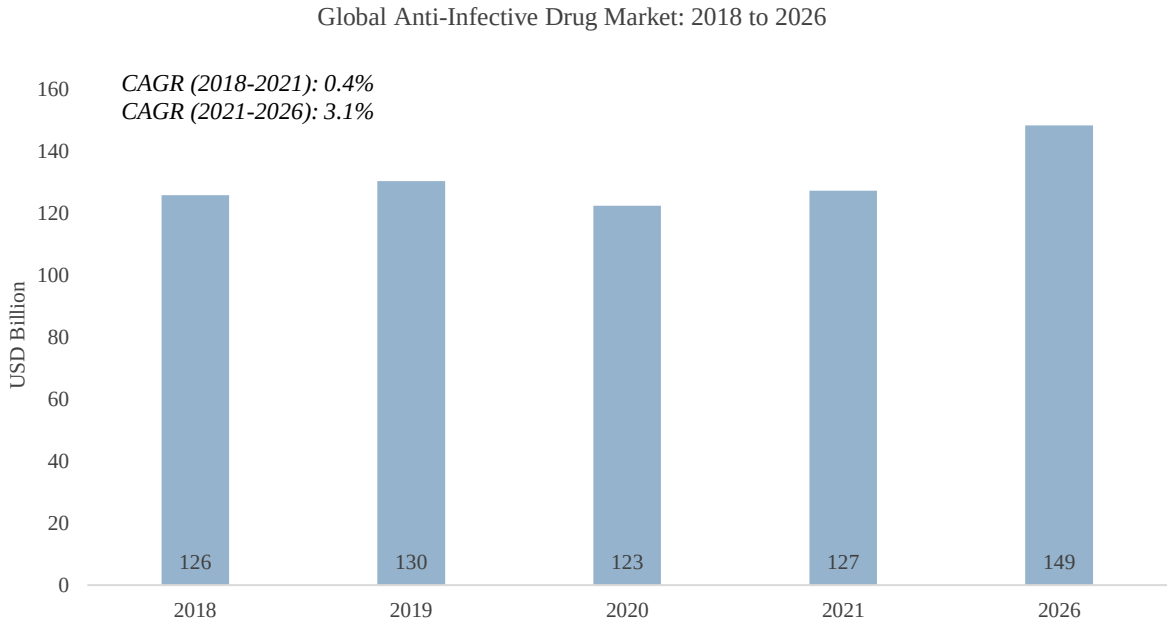
A key segment, which has come into the spotlight again, is the anti-infective drug market, mainly attributable to the COVID-19 infection. The segment is estimated to have a 10% market share in 2021. Anti-infectives are medicines that prevent or treat infections and include anti-bacterial, antivirals, antifungals, and antiparasitic medications.

Infectious Disease Prevalence Trends

There is a renewed focus on making anti-infectives available, as regions worldwide grapple with infections such as tuberculosis, malaria, and HIV, which contribute to high mortality and burden healthcare systems. While some diseases are on a downward trend owing to government intervention, other conditions, such as sexually transmitted infections, have resurged in the last few years. Simultaneously, there is also an increasing need for a new generation of anti-infectives to address the growing burden of emerging infectious diseases, such as Ebola and influenza (avian/swine) virus, vector-borne diseases such as chikungunya and Zika, and acute respiratory syndromes such as SARS and MERS. In addition, anti-microbial resistance ("**AMR**") to the older generation of anti-infectives is also on the rise. A key cause of AMR is a shortage of appropriate drugs, leading to incorrect prescriptions. The complexity of manufacturing anti-infective APIs that require fermentation expertise and capacity, and the concentration of this capacity in China, has led to a price monopoly. These factors have led to an increased R&D pipeline of anti-infective drugs, which will drive future growth in the market.

Anti-Infective Drug Market Trends

The total anti-infective drug market was valued at USD 127 billion (INR 8,864 billion) in 2018 and is expected to reach USD 149 billion (INR 11,071 billion) by 2026, growing at a CAGR of 3.1% between 2021 and 2026. The fluctuation in the market in 2020 and 2021 is attributable to COVID-19, where increased usage of COVID-19 therapeutics was offset by the decline in other infections (historical lows in some regions for some infections) owing to policies such as social distancing and lockdowns, according to the U.S. Centers for Disease Control and Prevention.



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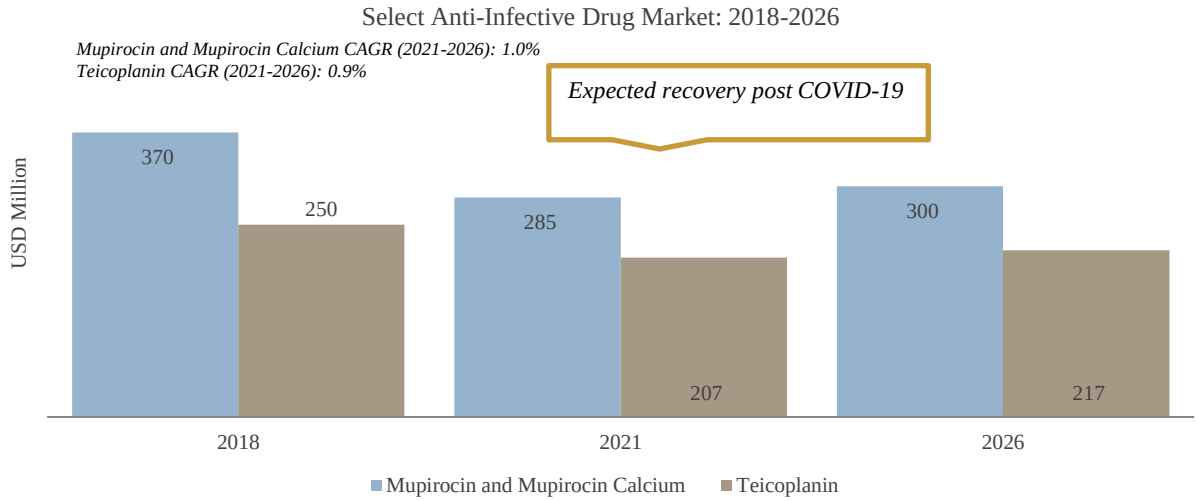
Within the anti-infective segment, the key sales value contributors are antiviral drugs which accounted for 42% of the market in 2021, owing to the large market of HIV drugs. Anti-bacterial accounted for 31% of the market, followed by vaccines which accounted for 18% share during the same year.

The preferred modality for anti-infective drugs is small molecules, to control the cost and make drugs more accessible (biologics often require administration by a trained healthcare professional in a clinical setup). As a result, small molecules accounted for 81% of the market share by sales value in 2021.

Select Anti-Infective Drugs

Given the critical nature of anti-infective drugs, their low cost is important to ensure widespread availability and access to life-saving anti-infectives. Consequently, generic drugs accounted for 38% to 40% of the share between 2018 and 2021. For the purpose of this research, some of the anti-infective drugs have been evaluated below.



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MUPIROCIN AND MUPIROCIN CALCIUM

Mupirocin is an anti-bacterial ointment used to treat superficial skin infections such as impetigo caused due to bacteria and used to control MRSA outbreaks. Mupirocin was originally marketed under the brand name Bactroban and sold by GSK; however, it was discontinued in the United States market in June 2020. The key market suppliers were generic suppliers such as Glenmark, Sun Pharmaceutical and Teva, and accounted for 56% (total generics) of the share by gross revenue. The total formulations sales were estimated to be USD 285 million (INR 21,176 million) in 2021, with North America accounting for 31% of the share and Asia accounting for 41% of the share. Within Asia, the higher demand was from the Southeast Asian region, accounting for a 30% share in 2021.

TEICOPLANIN

Teicoplanin is a glycopeptide antibiotic used to treat various infections caused by gram-positive bacteria. The antibiotic is especially used for the treatment of staphylococcal infections. It has been evaluated for various viruses such as Ebola, influenza, flavivirus, hepatitis C, human immunodeficiency ("**HIV**"), and coronaviruses such as MERS and SARS-CoV. With its patent's expiry in 2003, the formulations are now sold by several generic companies in addition to the innovator Sanofi, which commanded 50% of the market in 2021. Generic drugs accounted for 49% of the share in 2021, up from 40% in 2019. Teicoplanin (Targocid) was first approved in Europe in 1988 and is available in many other countries except the United States. Given the absence of drug approval in the United States, the largest sales value was generated in Europe and Asia, amounting to 38% and 57%, respectively, in 2021.

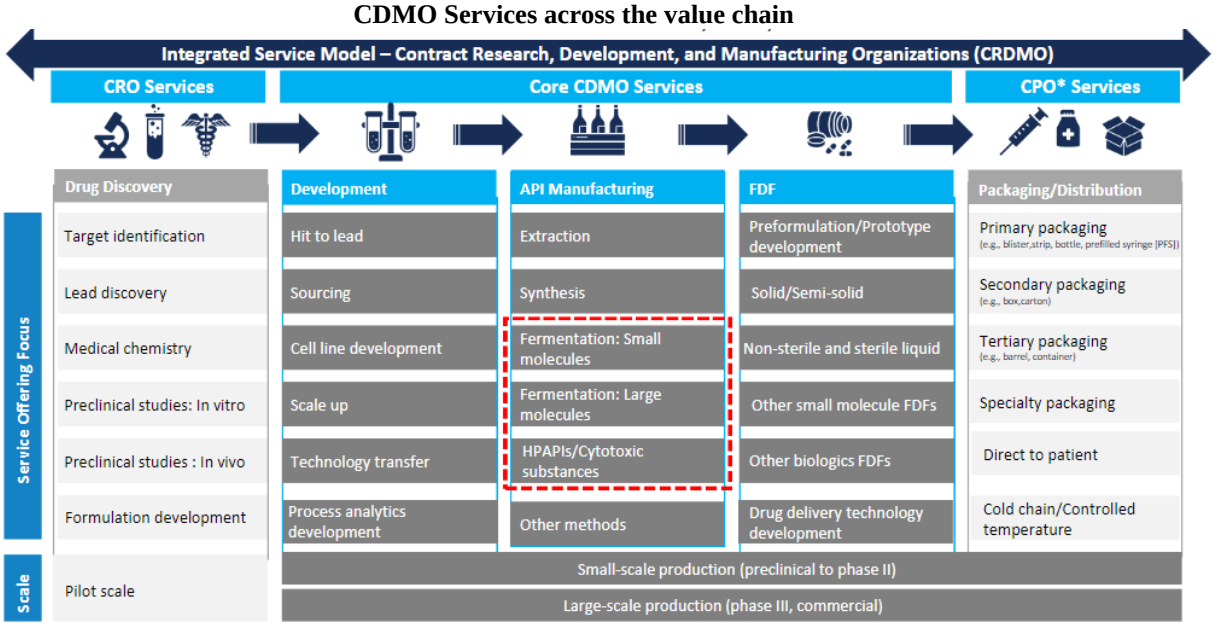
Overview of the Global CDMO Market

CDMOs serve as critical stakeholders in expanding manufacturing capacity for complex products, offering cost advantages, and speed-to-market.

Pharmaceutical sponsors are increasingly turning to CDMOs as strategic partners instead of contractors. Traditionally, pharmaceutical companies have focused on high-volume product sales and leveraged partnerships with Contract service providers to access additional manufacturing capacity. At the same time, contract manufacturers thrived on aggregating demand and delivering the benefits of economies of scale. However, with the decline of blockbuster drugs dispensed to large patient pools and the shift to precision medicine, focus on niche indications, and increased R&D in complex therapeutics, pharmaceutical sponsors are forming more integral partnerships with CDMOs. Pharmaceutical sponsors seek partnerships to append their existing capacity, access new markets, mitigate risk, and bring an overhaul in manufacturing technologies. Many pharmaceutical companies are turning to CDMOs to reduce capital investment, gain valuable specialized expertise, and avoid the need to build an in-house workforce of specialized scientists and other professionals.

In response, CDMOs have stepped up and expanded their services. It includes drug development and manufacturing, providing local and global regulatory support to access multiple geographies simultaneously, providing distribution channels, and sharing risk with pharmaceutical companies, especially with the new crop of virtual and emerging biotech companies, to minimize risk and shorten project timelines.

CDMO Services across the value chain



Source: Frost & Sullivan Analysis
Note: The highlighted areas indicate high-growth areas during the forecast period

The API development and manufacturing outsourcing penetration (to CDMOs) was nearly 35% in 2021. The small molecule API CDMO market was valued at USD 63 billion (INR4,681 billion) in 2021 and is expected to grow to USD 86 billion (INR 6,390 billion) by 2026. With a CAGR of 6.5% between 2021 and 2026, the API CDMO market is expected to outpace the overall growth of the API market.

North America has historically been the dominant market and will continue to do so during the forecast period, accounting for more than 45% of the market share from 2018 to 2026. Outsourcing API manufacturing is rising in the United States and Europe, particularly to contain costs. As a result, Europe will maintain its share at 21% throughout the forecast period. On the other hand, the Asia-Pacific market will gain a relatively higher market share, from 21% in 2018 to 23% in 2026.

While the United States and European API manufacturers thrive on custom manufacturing innovative drugs, Asia-Pacific companies leverage mass production capabilities for generic drug production. As per World Health Organization, China is the world's leading producer and exporter of APIs by volume, accounting for 20% of the total global API output.

Traditionally, pharmaceutical companies have preferred outsourcing large-scale manufacturing of generic drugs but hesitated in outsourcing IP-prone innovator drug manufacturing, especially to destinations in the Asia-Pacific. As a result, outsourcing penetration of generic APIs has been higher than that of novel APIs. However, strengthening IP frameworks in the Asia-Pacific and growing demand for total (development and manufacturing) cost of new-gen targeted therapeutics will drive an expected shift towards increased innovative drug manufacturing outsourcing.

Growth Drivers for Outsourcing to CDMOs

Cost efficiency

CDMOs enable a lower cost structure for generic players utilizing economies of scale. The increasing pressure on pharmaceutical to lower drug prices result in greater dependence on CDMOs as CDMOs can offer considerable cost savings.

Personalized medicine

In 2021, the FDA approved 17 new personalized medicines, accounting for 35% of the total approvals, according to a Personalized Medicine Coalition report. The move toward personalized medicine will remove the benefits of economies of scale. Hence, leveraging the cost advantage across emerging markets will become crucial, enabled by wider CDMO proliferation in the region.

Complex product manufacturing

As new formulations become more complex in nature and require more expensive and sophisticated manufacturing technologies with shorter turnaround times, innovators will lean more on CDMOs to efficiently handle complex product manufacturing. CDMOs can effectively support working with additional and heterogeneous requirements across different geographies.

Emergence of biotech and specialty companies

Biotech and specialty companies are increasingly driving the R&D pipeline. Through the risk-sharing model, virtual pharmaceutical companies, and their growing reliance on CDMOs will boost market growth.

Drug development process

CDMOs can support the drug development process, bring in cost efficiencies, and improve the chances of successful outcomes during the R&D process, thus increasing the span (since the initial stages of the drug lifecycle) of partnership with pharmaceutical sponsors.

Focusing on Core competencies

Pharmaceutical companies' renewed focus on core competencies such as brand building, signaled by the growing number of divestitures, will boost manufacturing outsourcing.

Key success factors for CDMOs

Pharmaceutical companies seek reliability, specialization, and quality of services to select the right partner in the highly-fragmented CDMO market, which has more than 400 CDMOs. Certain differentiating criteria are discussed below.

Full-service offerings

A qualified CDMO should be able to manage the supply chain from end to end. In addition to offering integrated services to sponsors, CDMOs also need to implement new business models based on risk-sharing, particularly with the smaller pharmaceutical companies.

Operational capabilities

CDMOs need to offer services for all types of drug substances and project timelines. CDMOs have to offer agility in adapting to different volume needs and scale up operations as needed. CDMOs also need to partner with third-party vendors for layered analytics to optimize processes, introduce preventive maintenance, and make supply chains transparent to streamline operations.

Investments in continuous improvement and unique capabilities

CDMOs need to continuously improve and enhance their capabilities and infrastructure to stay ahead of the competition curve and effectively serve pharmaceutical sponsors with their dynamically changing needs. CDMOs need to make investments in technology to handle potent compounds, manufacturing technology upgrades, green and sustainable manufacturing, and competitive differentiation technologies.

Delivery track record

CDMOs need robust quality systems and experience working with multiple sponsors simultaneously and delivering projects on time. CDMOs also need a solid and reliable network of KSMs and intermediates suppliers.

Concord Biotech's Role in the Global Fermentation- API Market

Concord Biotech is an India-based biopharma company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share based on volume in 2021. Concord Biotech commanded a market share of over 20% by volume in 2021 across identified fermentation-based API products including tacrolimus, mycophenolate sodium, cyclosporine, sirolimus, and dactinomycin. As per the data provided by Concord Biotech, it had over 123 DMF filings across several countries, including 20, 63 and 4 in the United States, Europe and Japan, and four ANDAs for six products from the USFDA for formulations, as on the date of this Draft Red Herring Prospectus.

In the immunosuppressant drug APIs for organ transplant, including tacrolimus, mycophenolate mofetil, and cyclosporine, Concord Biotech is one of the very few companies when compared to peers listed in the table with presence in all the key regions including the United States, Europe, and Japan (based on DMF filings). Amongst the global peers listed in the table below, Concord Biotech also offers one of the widest range of small molecule fermentation-based immunosuppressant APIs used for organ transplant. Furthermore, Concord Biotech is among the few Indian immunosuppressant formulation manufacturers with US ANDA approvals to be integrated with in-house fermentation-based immunosuppressant APIs for select organ transplant drugs namely Tacrolimus, Mycophenolate Mofetil, and Mycophenolate Sodium. In addition to immunosuppressants, Concord Biotech also has an expansive portfolio of fermentation-based APIs across a wide range of therapeutic areas including oncology and anti-infective including anti-bacterial and anti-fungal.

To continue its growth momentum, Concord Biotech is also expanding in oncology and anti-infectives (in addition to the existing immunology drug portfolio). Some of the indicative products in the pipeline are listed in the table below.

Molecule	Therapy Area	2021	
		Total Formulation Market	API Volume
		(USD in millions)	*(Kg)*
Polymyxin B	Anti-infectives	800	21,434 billion IU
Fidaxomicin	Anti-infectives	238	349
Daptomycin	Anti-infectives	375	3,265
Nystatin	Anti-infectives	176	130,310
Epirubicin	Oncology	190	176
Doxorubicin	Oncology	772	258
Idarubicin	Oncology	54	3
Pirarubicin	Oncology	64	36

Source: Frost & Sullivan Analysis, IQVIA MIDAS Quarterly Mar 2022 (Calendar Year 2021 Only) All rights reserved

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 25 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 27 for a discussion of certain risks that may affect our business, financial condition, or results of operations, "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 188 and 246, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our Company's financial year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular financial year are to the 12 months ended March 31 of that particular year. Unless otherwise indicated or the context otherwise requires, the financial information for the financial years ended March 31, 2020, 2021 and 2022 included herein is derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 188.

Unless otherwise indicated or the context otherwise requires, in this section, references to "our Company", "we", "us" and "our" are to Concord Biotech Limited.

Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" dated August, 2022 (the "F&S Report"), prepared and released by Frost & Sullivan (India) Private Limited ("F&S"), which has been exclusively commissioned and paid for by our Company, for the purpose of understanding the industry in connection with this Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant financial year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — Risks Related to Our Business — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited (F&S) which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer." on pages 23 and 45, respectively.

The following information should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in "Risk Factors", "Industry Overview", "Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 27, 93, 188 and 246, respectively.

OVERVIEW

We are an India-based biopharma company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share, based on volume in 2021 (*Source: F&S Report*), supplying to over 70 countries including regulated markets, such as the United States, Europe and Japan, and India. We commanded a market share of over 20% by volume in 2021 across identified fermentation-based API products, including dactinomycin, sirolimus, tacrolimus, mycophenolate sodium and cyclosporine. (*Source: F&S Report*) As of March 31, 2022, we had a total installed fermentation capacity of 1,250 m^3. In 2016, we launched our formulation business in India as well as emerging markets, including Nepal, Mexico, Indonesia, Thailand, Ecuador, Kenya, Singapore and Paraguay, and have further expanded to the United States.

We are amongst the few companies globally that have successfully and sustainably established and scaled up fermentation-based API manufacturing capabilities (*Source: F&S Report*). Fermentation is a challenging process as it involves working with microbial strains and culture, controlling multiple process parameters and performing various purification steps. Small modifications to the process may lead to relatively large variances in the outputs. Complex technical capabilities, difficulties in scaling up operations and the substantial capital investment required have resulted in significant barriers to entry in the fermentation-based API space. (*Source: F&S Report*) The global small-molecule fermentation-based API market was valued at US$11 billion (₹817 billion) in 2021. The market is expected to reach approximately US$13 billion (₹966 billion) in 2026, representing a CAGR of 3.6%

from 2021 to 2026 (*Source: F&S Report*). Growth of the fermentation-based API market is expected to be driven primarily by the therapeutic areas of immunology, oncology and anti-infectives (*Source: F&S Report*). We have an established presence in these therapeutic areas and are well-poised to benefit from the industry growth tailwinds.

As of March 31, 2022, we had six fermentation-based immunosuppressant APIs, including tacrolimus, mycophenolate mofetil, mycophenolate sodium, cyclosporine, sirolimus and pimecrolimus. We aim to continue to grow our immunosuppressant API portfolio, which will remain one of the key contributors to our API business in the near future. In addition to our immunosuppressant API portfolio, we aim to increase the sales of our APIs across other therapeutic areas, especially the following:

- Anti-infective APIs. Our anti-infective APIs include:
    - *Anti-bacterial APIs.* We offer four anti-bacterial APIs, including mupirocin, mupirocin calcium, vancomycin hydrochloride and teicoplanin;
    - *Anti-fungal APIs*. We offer three anti-fungal APIs, including anidulafungin, micafungin sodium and caspofungin; and
- *Oncology drug APIs.* We offer six oncology drug APIs, including temsirolimus, everolimus, romidepsin, mitomycin, dactinomycin and midostaurin.

We have invested significantly in capacity expansion in recent years. With our increased capacities, we are in the process of scaling up our API production to serve more customers. As of March 31, 2022, we had 22 API products. We had filed more than 120 Drug Master Files ("**DMFs**") across several countries for our APIs, including 20, 63 and four, respectively, in the United States, Europe and Japan, as of the date of this Draft Red Herring Prospectus. In addition, we had obtained Certification of Suitability to the Monographs of the European Pharmacopoeia ("**CEPs**") for 13 APIs as of March 31, 2022.

To capitalize on the benefits of backward integration that our presence in APIs provides, we entered into the formulations segment in 2016. In India, we market a portfolio of 27 brands across immunosuppressants, nephrology drugs and anti-infective drugs for critical care. We have a presence across 20 states and five union territories in India, through our sales team. We also have a B2B contract development manufacturing organization ("**CDMO**") business where we supply immunosuppressants to the Indian market. Our immunosuppressant formulations are manufactured in facilities inspected or accredited by overseas regulators, such as the USFDA, and distributed to the United States and countries in Asia, Africa and Latin America on a B2B basis, primarily through arrangements with distributors. As on the date of this Draft Red Herring Prospectus, we had 65 approved products for formulations. In addition, we have obtained four ANDA approvals for six products from the USFDA for formulations, as on the date of this Draft Red Herring Prospectus. Our R&D team is working on developing new formulations for which we expect to apply for ANDA approvals from the USFDA.

Facilities. As of March 31, 2022, we had three manufacturing facilities in the state of Gujarat, India, comprising API manufacturing facilities in Dholka and Limbasi and a formulation manufacturing facility in Valthera, which were commercialized in 2000, 2021 and 2016, respectively. Our total annual installed fermentation capacity for APIs was 1,250 m^3, as of March 31, 2022. We have a total of 41 manufacturing blocks and 387 reactors in the Dholka and Limbasi facilities, which allows us the flexibility in plant configuration to cater to customer demands. Our Dholka facility has been subject to inspections by overseas regulators, including USFDA, Government of Upper Bavaria, Germany, PMDA of Japan and MFDS of Korea, on a periodic basis since 2005. In addition to the regulatory inspections, our Dholka facility has been subject to audits by our customers with regard to adherence to their specifications and standards since 2005. We intend for the Limbasi facility to cater to major regulated markets, subject to receipt of approvals from the regulatory authorities in these markets. Our products that are sold across all our markets are manufactured according to our standards that are uniform across all facilities.

As of March 31, 2022, the annual installed production capacity of our formulation manufacturing facility in Valthera amounted to 522.64 million units, with an average dosage capability of 0.17 million tablets, 0.36 million capsules and 646.46 bottles of dry syrup per shift, which is defined as eight hours of production. The Valthera facility has been subject to inspections by overseas regulators, including the USFDA and WHO. Further, we are in the process of enhancing our capabilities in the formulation manufacturing through our injectable facility.

R&D. We have established two DSIR-approved R&D units with 163 members as of March 31, 2022, including members having doctoral qualifications. Our R&D team has demonstrated ability to advance products, including

complex products, from R&D to commercialization. Our R&D initiatives focus on critical activities including new product development, cost improvement, process improvement, technology transfer and scale-up initiatives. Our evaluation for product selection covers market opportunity, competitive scenario, technical feasibility, development complexity and IP landscape scenario of each potential product. As of March 31, 2022, we developed and commercialized 22 fermentation-based APIs with support from our R&D team. Through R&D initiatives, we also continually enhance our backward integration capabilities to manufacture APIs in-house to be used as key starting materials for formulations, in order to maintain the cost competitiveness and supply consistency in our key products. In addition, we offer contract research and manufacturing services, where we collaborate with third-party pharmaceutical companies to develop APIs and formulations.

Customers. We had over 200 customers in over 70 countries as of March 31, 2022 for our APIs and formulations. We have entered into long-term supply agreements with some of our customers. Our API customers include Intas Pharmaceuticals Limited and Glenmark Pharmaceuticals Limited. Among our ten largest customers by revenue for the financial year 2021, several of them were among the key consumers in their respective regions for the APIs we supplied to them. (*Source: F&S Report*) As of March 31, 2022, we had an average of nine years of relationships with our ten largest customers by revenue for the financial year 2022. For the financial years 2020, 2021 and 2022, we generated revenues from operations of ₹2,811.83 million, ₹2,725.28 million and ₹3,101.90 million, respectively, or approximately 60.20%, 48.20% and 47.66%, respectively, of our revenue from operations for the same periods, from our ten largest customers by revenue for the respective periods.

Management. We have a Promoter-led professional and experienced management team. Mr. Sudhir Vaid, one of our Promoters and the Chairman and the Managing Director of our Board, has previous experience working with Ranbaxy Laboratories Limited, and as a part of M/s. Sudman Consultants acted as a consultant for companies such as Plus Chemicals S.A., Lek Pharmaceuticals & Chemicals Co. and Biocon India Limited. He has been playing a crucial role in building our technology capabilities, scaling up our manufacturing facilities and developing our R&D division. Mr. Ankur Vaid, one of our Promoters, the Joint Managing Director and the Chief Executive Officer, has over 15 years of experience in the pharmaceutical industry. He has been involved in the development of the research and development division of our Company and contributed to the market strategy of our Company.

Sustainability. We have a focus on sustainability in our operations in terms of environmental impact and occupational health and safety, and have instituted environment, health and safety and governance systems. Our environmental conservation efforts are centered around optimizing energy consumption, reducing waste, and utilizing clean energy in business operations, especially with respect to waste management in compliance with applicable environmental laws.

Financial Performance. For the financial years 2020, 2021 and 2022, our total revenue from operations was ₹5,123.29 million, ₹6,169.43 million and ₹7,129.33 million, respectively, representing a CAGR of 17.96%. For the financial years 2020, 2021 and 2022, our profit for the year was ₹1,691.12 million, ₹2,348.87 million and ₹1,749.29 million. For the financial years 2020, 2021 and 2022, our EBITDA margin, defined as EBITDA divided by revenue from operations, was 39.88%, 53.02%, 37.82%, respectively. Our cash conversion ratio, defined as the net cash flow from operating activities by EBITDA, was 75.78%, 51.00% and 76.95%, respectively, for the financial years 2020, 2021 and 2022. Our return on capital employed, defined as restated profit before tax and finance costs (excluding interest expense on lease liabilities) divided by the aggregate of tangible net worth (closing net worth less intangible assets), total borrowings and deferred tax liabilities, increased from 25.66% for the financial year 2020 to 28.54% for the financial year 2021 and was 20.55% for the financial year 2022. Our return on equity, as defined as profit for the year divided by average total equity, increased from 23.28% for the financial year 2020 to 26.55% for the financial year 2021 and was 16.64% for the financial year 2022. While we have been funding our continuous investments with internal accruals and limited external financings, we have consistently distributed dividends of more than 30% of our net income to our equity shareholders over the last seven years.

KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS

The table below sets forth certain of our key financial and operational performance indicators for the years indicated:

Particulars	Financial Year		
	2020	2021	2022
	(₹ in millions, except for percentages)		
EBITDA[(1)]	2,043.20	3,271.02	2,696.36
EBITDA margin[(2)]	39.88%	53.02%	37.82%
Return on equity[(3)]	23.28%	26.55%	16.64%
Return on capital employed[(4)]	25.66%	28.54%	20.55%
Profit margin[(5)]	33.01%	38.07%	24.54%
Net asset value per Equity Share[(6)]	73.62	95.53	105.45

Notes:

(1) EBITDA is defined as the aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income, for the relevant year. For further details, including reconciliations of certain of these key financial and operational performance indicators, see "Other Financial Information" on page 241.

(2) EBITDA margin is defined as EBITDA divided by revenue from operations, for the relevant year.

(3) Return on equity is defined as profit for the year divided by average total equity for the relevant year.

(4) Return on capital employed is defined as restated profit before tax and finance costs (excluding interest expense on lease liabilities) divided by the aggregate of tangible net worth (closing net worth less intangible assets), total borrowings and deferred tax liabilities, for the relevant year.

(5) Profit margin is defined as profit for the year divided by revenue from operations for the relevant year.

(6) Net asset value per Equity Share is defined as the aggregate of equity share capital and other equity, for the relevant year, divided by weighted average number of equity shares outstanding during the year.

For further details, including reconciliations of certain of these key financial and operational performance indicators, see "Other Financial Information" on page 241.

OUR STRENGTHS

Established presence across the complex fermentation value chain

We have established capabilities across the fermentation value chain. The fermentation value chain encompasses aspects such as R&D, patents, key starting materials, API and formulation manufacturing, as well as marketing and distribution of fermentation-based products. In addition, we have honed our capabilities across the fermentation value chain, which we leveraged to build a track record across multiple products in various therapeutic areas.

Over the last two decades since 2001, we have been able to build difficult-to-replicate technical expertise in the fermentation process, which has enabled us to develop and commercialize a wide spectrum of fermentation-based APIs. Fermentation is a challenging process requiring specialized manufacturing expertise, as it involves working with microbial strains and culture, controlling multiple process parameters and performing various purification steps. Small modifications to the process may lead to relatively large variances in the output. These factors, coupled with the complex technical capabilities, difficulties in scaling up operations and the substantial capital investment in infrastructure and resources required, have resulted in significant barriers to entry in the fermentation-based API space *(Source: F&S Report)*. As of March 31, 2022, we had 22 fermentation-based APIs across various therapeutic areas, including immunosuppressants, anti-bacterials, anti-fungals and oncology, and several fermentation-based APIs in the pipeline. We have a large portfolio of fermentation-based APIs across a wide range of therapeutic areas, including immunosuppressants, anti-infectives, anti-fungals and oncology, according to the F&S Report, with backward integration up to the key starting material level for some of our key APIs. Our total annual installed fermentation capacity for APIs was 1,250 m^3, as of March 31, 2022. Our well-invested fermentation capacities position us to cater to the large and growing global small-molecule fermentation-based API market, which is expected to grow from US$11 billion (₹817 billion) in 2021 to US$13 billion (₹966 billion) in 2026 at a CAGR of 3.6% from 2021 to 2026. *(Source: F&S Report)* Leveraging our fermentation capabilities, we have forward integrated to semi-synthetic APIs with our in-house fermentation-based APIs as key starting materials. In addition, we are among the few Indian immunosuppressant formulation manufacturers with ANDA approvals to be integrated with in-house fermentation-based immunosuppressant APIs for select organ transplant drugs, namely tacrolimus, mycophenolate mofetil and mycophenolate sodium. (*Source: F&S Report*)

Our business model aims to capture opportunities within the fermentation segment across APIs, formulations and other adjacencies, by combining our R&D and production capabilities. Our integration of R&D, patents, key starting materials, API and formulations manufacturing and marketing and distribution allow us to cater to our customers' specific requirements and provide them with customized solutions. Our ability to do so further enhances our business profile and strengthens our customer relationships.

Global leadership in immunosuppressant APIs along with a wide spectrum of complex fermentation-based APIs across multiple therapeutic areas

We are one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share, based on volume in 2021. (*Source: F&S Report*) We commanded a market share of over 20% by volume in 2021 across identified fermentation-based API products, including dactinomycin, sirolimus, tacrolimus, mycophenolate sodium and cyclosporine. (*Source: F&S Report*) As of March 31, 2022, we had six fermentation-based immunosuppressant APIs. As of 2021, more than 90% of the approved and commonly prescribed small-molecule organ transplant drugs were fermentation-based. (*Source: F&S Report*) The global demand for immunosuppressant APIs is expected to increase, driven by the growth of the immunosuppressant formulation markets. In particular, the growth is expected to be driven by organ transplantation becoming more common, where patients would need to take immunosuppressants for the rest of their lives. However, the end use of immunosuppressants in organ transplantation requires stringent quality standards to minimize variations during the fermentation process. According to the F&S Report, the global immunosuppressant drug market was valued at US$101 billion (₹7,505 billion) in 2021 and is expected to grow at a CAGR of 9.6% between 2021 and 2026 in terms of revenue. (*Source: F&S Report*) As an established fermentation-based immunosuppressant API manufacturer, we believe that we are well-positioned to benefit from the growth potential in the immunosuppressant drug market.

In addition to immunosuppressants, we manufacture fermentation-based APIs for the therapeutic areas of anti-bacterials, anti-fungals and oncology. As of March 31, 2022, we had a portfolio of four, three and six commercialized fermentation-based anti-bacterial, anti-fungal and oncology drug APIs, respectively. The anti-infective market, which is one of the largest segments by revenue among the therapeutic areas in the API market with a market size of US$31 billion (₹2,303 billion) in 2021 in terms of revenue, is expected to reach US$36 billion (₹2,675 billion) by 2026 (*Source: F&S Report*). Cancer is considered among the leading causes of death worldwide and its prevalence has been increasing. As a result, the oncology drug market has become the largest segment among the therapeutic areas in the API market with revenue of US$37 billion (₹2,749 billion) in 2021, accounting for 18% of the market share in terms of revenue in 2021 (*Source: F&S Report*). The oncology drug market is expected to be the fastest growing among the therapeutic areas, with a CAGR of 12.6% from 2021 to 2026 in terms of revenue. (*Source: F&S Report*) We believe that our growth in the near future will be primarily driven by the anti-infective and oncology drug markets.

Scaled manufacturing facilities with a consistent regulatory compliance track record and supported by strong R&D capabilities

We have three manufacturing facilities in the state of Gujarat, India. Our API manufacturing facilities in Dholka and Limbasi are divided into a total of 41 manufacturing blocks to process different classes of APIs, which provides flexible plant configuration and allows us to scale up production volume to meet increased demand, such as through running parallel processes across different classes of APIs. We also have a formulation manufacturing facility in Valthera, which had an annual installed production capacity of 522.64 million units, with an average dosage capability of 0.17 million tablets, 0.36 million capsules and 646.46 bottles of dry syrup per shift, which is defined as eight hours of production. We have the ability to expand our installed capacity at the existing manufacturing facilities, which may help us reduce the need for significant capital expenditure on capacity expansion in the near term, as compared to setting up new manufacturing facilities. We focus on undertaking measured capacity expansion in line with our plans of product launches and increase in product sales. All our manufacturing facilities possess effluent treatment processes, including facilities aimed towards zero liquid discharge. We have been subject to a sustainability assessment conducted by a business sustainability ratings provider, which included analyses of our environmental practices, such as the removal of APIs from wastewater, wastewater quality assessment, our wastewater treatment facilities and water accounting policies.

Our manufacturing facilities have been subject to inspections by overseas regulators on a periodic basis. Our manufacturing facility in Dholka received the first inspection by USFDA in 2005, and the first inspection by Government of Upper Bavaria, Germany for European Union Good Manufacturing Practice ("**EUGMP**") certification in 2011. It was also inspected by PMDA of Japan and MFDS of Korea. Our manufacturing facility in Valthera received the first inspection by USFDA in 2017. It is also in compliance with regulatory standards of different emerging markets. In 2021, we launched the manufacturing facility at Limbasi for capacity expansion. We intend for the Limbasi facility to cater to major emerging and regulated markets, subject to inspections from regulatory authorities in these markets, allowing us to serve these markets with key APIs manufactured across two manufacturing facilities to mitigate our risk exposure in case of disruptions in one of the facilities. For further details about our manufacturing facilities, capacity utilization and expansion plans, see "— *Description of Our*

Business — Manufacturing Facilities and Approvals" on page 144. In addition, our manufacturing facilities are subject to audits by some of our customers. We are currently one of the companies approved by the Government of India to receive incentives under the PLI Scheme. With our expertise in manufacturing of fermentation-based APIs, we aim to take advantage of the PLI scheme to further expand our manufacturing operations, increase our domestic sales and grow our international presence through exports.

Our manufacturing of APIs and formulations have been supported by our R&D capabilities. We have dedicated R&D units for both APIs and formulations. Each of them is approved by DSIR, India. Our R&D team, comprising 163 members, including members having doctoral qualifications, had commercialized 22 fermentation-based APIs, as of March 31, 2022. We are experienced in diverse strains, including actinomycetes, streptomycetes, bacterial, fungi and E. coli. In addition to developing a generic portfolio of complex and niche APIs, our R&D initiatives had created 22 non-infringing processes of developing APIs and approaches to invalidate existing patents in the market, as of March 31, 2022. We had registered two patents, obtained four ANDA approvals for six products from the USFDA for formulations, and filed more than 120 DMFs for APIs, and had 65 approved products for formulations, as on the date of this Draft Red Herring Prospectus. In addition, we assisted our customers with four Paragraph IV filings with our APIs.

Through our continuous R&D initiatives, we optimize our production processes. For our fermentation-based APIs, we continually improve our fermentation technology, through processes such as strain improvement and media optimization, and seek to develop and scale-up our processes. We also seek to improve our technology transfer at commercial scale. For our semi-synthetic APIs, we develop our processes, such as downstream, semi-synthetic and non-infringing processes, through methods including process yield improvements, analytical method development and validation and impurity profiling. We also improve our method transfer to quality control and technology transfer at commercial scale. As for our formulations, we continually expand the range of our dosage forms to cover immediate and extended release for oral solids, oral solutions and oral suspensions for oral liquids, ointments and creams for topicals, and liquid, lyophilized and dry powder for parenterals. We improve our analytical processes through physical, chemical and microbiological instrument analyses, developing and validating stability-indicating methods and material compatibility studies. With our R&D capabilities, we offer contract research and manufacturing services, where we collaborate with third-party pharmaceutical companies to develop fermentation-based and semi-synthetic NCEs and small molecules.

Diversified global customer base with long-standing relationships with key customers

Over the years, we have established long-standing relationships with certain key customers, including leading global generic pharmaceutical companies. As of March 31, 2022, we had over 200 customers in over 70 countries for both our API and formulation products. For our APIs, we had filed more than 120 DMFs across several countries, including 20, 63 and four, respectively, in the United States, Europe and Japan, as on the date of this Draft Red Herring Prospectus. We supply APIs to customers such as Intas Pharmaceuticals Limited and Glenmark Pharmaceuticals Limited and have entered into long-term supply agreements with them. For the financial years 2020, 2021 and 2022, we generated revenues from operations of ₹2,811.83 million, ₹2,725.28 million and ₹3,101.90 million, respectively, or approximately 60.20%, 48.20% and 47.66%, respectively, of our revenue from operations for the same periods, from our top ten customers by revenue for the respective periods. As of March 31, 2022, we had relationships with Intas Pharmaceuticals Limited and Glenmark Pharmaceuticals Limited, two of our top ten customers for each of the financial years 2020, 2021 and 2022, for around 10 years and 17 years, respectively. A majority of our customers are from regulated markets. In addition, we have developed relationships with 47, 48 and 47 new customers during the financial years 2020, 2021 and 2022, respectively. Our APIs are provided under a B2B model to pharmaceutical companies globally. For our formulations business as well, we operate through a B2B model across United States and emerging markets under arrangements with distributors. In most of the emerging markets, the formulations are sold under our brand names. As on the date of this Draft Red Herring Prospectus, we had 65 approved products for formulations. In addition, we have obtained four ANDA approvals for six products from the USFDA for formulations, as on the date of this Draft Red Herring Prospectus. Our R&D team is working on developing new formulations for which we expect to apply for ANDA approvals from the USFDA.

We believe that our ability to build and strengthen our relationships with our key customers stems from various factors, such as the high quality of our products, our R&D and manufacturing capabilities, our track record of compliance with the various regulatory standards of jurisdictions in which we supply our products, the consistency of our supply and our competitive pricing.

In India, we market immunosuppressant, nephrology and anti-infectives drugs for critical care, which we market under our own brands and through our sales force model. As of March 31, 2022, we offered formulations across 20 states and five union territories in India, covering over 1,500 government and corporate hospitals.

Experienced Promoters, management team supported by marquee investors

We are managed by a Promoter-led management team, including Mr. Sudhir Vaid, one of our Promoters and the Chairman and Managing Director on our Board. He has previously been associated with Ranbaxy Laboratories Limited and as a part of M/s. Sudman Consultants acted as a consultant for companies such as Plus Chemicals S.A., Lek Pharmaceuticals & Chemicals Co. and Biocon India Limited, he has been playing a crucial role in building our technology capabilities, scaling up our manufacturing facilities and developing our R&D division. Mr. Ankur Vaid, one of our Promoters, the Joint Managing Director and the Chief Executive Officer, holds a degree of bachelor of technology in chemical engineering from Rashtrasant Tukadoji Maharaj Nagpur University and a degree of master in business administration from Rochester Institute of Technology. With over 15 years of experience in the pharmaceutical industry. He has been involved in the development of the research and development division of our Company and contributed to the market strategy of our Company. Our professional management team is supported by over 1,100 employees, including strong R&D, production, quality and regulatory compliance and marketing teams. As of March 31, 2022, we had 163, 279 and 141 employees in our R&D, quality and regulatory, and marketing teams, respectively.

Helix, which is backed by Quadria Capital Fund L.P., a healthcare-focused private equity fund in Asia, and other co-investors, holds 20.00% of our fully-subscribed and paid-up Equity Share capital. We are also backed by RARE Enterprises, which is an Indian asset management firm with investments across biotechnology, healthcare and other sectors. We benefit from the capital sponsorship and professional expertise of our investors.

Financial track record of rapid growth and consistent profitability with healthy cash flows and strong shareholder returns

For the financial years 2020, 2021 and 2022, our total revenue from operations was ₹5,123.29 million, ₹6,169.43 million and ₹7,129.33 million, respectively, representing a CAGR of 17.96%; our EBITDA was ₹2,043.20 million, ₹3,271.02 million and ₹2,696.36 million, respectively.

We have been able to maintain a high profit margin because of our niche and complex product portfolio. For the financial years 2020, 2021 and 2022, our EBITDA margin, defined as EBITDA divided by revenue from operations, was 39.88%, 53.02%, 37.82%, respectively. Our cash conversion ratio, defined as the net cash flow from operating activities by EBITDA, was 75.78%, 51.00% and 76.95%, respectively, for the financial years 2020, 2021 and 2022.

Our return on capital employed, defined as restated profit before tax and finance costs (excluding interest expense on lease liabilities) divided by the aggregate of tangible net worth (closing net worth less intangible assets), total borrowings and deferred tax liabilities, increased from 25.66% for the financial year 2020 to 28.54% for the financial year 2021 and was 20.55% for the financial year 2022. Our return on equity, as defined as profit for the year divided by average total equity, increased from 23.28% for the financial year 2020 to 26.55% for the financial year 2021 and was 16.64% for the financial year 2022.

OUR STRATEGIES

Continue to increase our API market share and further develop our portfolio of complex and niche APIs with high growth potential

We strive to capitalize our leadership position in the field of fermentation-based APIs across these therapeutic areas and continue to grow our API business by:

- *Increasing the wallet share from our existing API customers.* We not only intend to increase the sales of API products to existing customers, but also focus on cross-selling other API products to these customers. During the financial year 2022, we significantly expanded our manufacturing capacities by adding the manufacturing facility at Limbasi. See "*— Description of Our Business — Manufacturing Facilities and Approvals*" on page 144 for details. Our significant investment into new manufacturing capacity has enabled us to be well-positioned to grow our wallet share from existing customers. Additionally, we

maintain the ability to further expand manufacturing capacity at the existing manufacturing facilities to cater to customer demands.

- *Marketing our existing APIs to new customers.* With increased manufacturing capacities, we have the ability to serve additional customers with our existing API portfolio. Given we have significantly expanded our manufacturing capacities, we intend to achieve optimal potential from the APIs that we commercialized in recent years. We also intend to acquire new customers globally and expand our international customer base, through increasing worldwide marketing activities for our APIs. In addition, we endeavor to increase the global market share of our APIs through additional regulatory filings.

- *Expanding our API portfolio.* Leveraging the technical expertise we have accumulated over the years, we will continue to focus on developing niche and complex fermentation-based products with high growth potential to ensure profitability and strengthen market leadership. We also intend to leverage our expertise in fermentation technology and capture the opportunities to manufacture the low-volume high-value fermentation-based APIs which will go off-patent. We had several APIs in the immunosuppressant, anti-bacterial and oncology therapeutic areas in our pipeline.

Several global pharmaceutical companies have been increasingly seeking to consolidate their supplier base. (*Source: F&S Report*) With our reputation in fermentation and our track record of developing and commercializing fermentation-based APIs to meet customer needs, we are well-positioned to leverage this trend to further strengthen our long-standing relationships with these pharmaceutical companies and increase the market share of our API portfolio.

Increase the presence of our existing formulations and expand into new formulations

We intend to pursue growth opportunities for our formulations in India, emerging markets, and the United States. Launched in 2016, our revenue from contracts with customers based on products in our formulation business increased at a CAGR of 79.42% from ₹428.76 million for the financial year 2020 to ₹1,100.65 million for the financial year 2021 and ₹1,380.26 million for the financial year 2022, representing 8.37%, 17.84% and 19.36%, respectively, of our total revenue from operations for the same years. We plan to grow our business by expanding geographic reach, launching newer dosage forms, and expanding our formulation portfolio with a focus on improving our profitability as well as utilizing our formulation manufacturing capacity more efficiently.

- *Expanding our geographic reach*:

    - *India*. We have been focusing on growing our presence in India through our own sales force as well as through our distribution network with our own brands. As of March 31, 2022, we offered formulations through our sales team to over 1,500 government and corporate hospitals in India, and we plan to continue to increase supplies to hospitals and governmental institutions. We also plan to further expand our sales and distribution network in order to expand to new geographies in India.

    - *Emerging markets.* We plan to expand our portfolio of registrations and approvals across the emerging markets. As on the date of this Draft Red Herring Prospectus, we had 65 approved products including in emerging market countries, where we are currently selling our formulation products. We are also in the process of filing new dossiers across emerging markets, including Mexico, Brazil and Indonesia. We intend to deepen existing relationships with distributors in these emerging markets, and onboard new distributors. We will endeavor to leverage these new relationships to evaluate new product opportunities in emerging markets.

    - *United States*. We plan to expand our formulation business in the United States by increasing sales of the existing products as well as launching new products. As on the date of this Draft Red Herring Prospectus, we have four ANDA approvals for six products from the USFDA for formulations, under which we offer immunosuppressant products through our distributors. In addition, we aim to make ANDA filings in the United States in the future.

- *Launching new dosage forms.* We plan to expand our formulation portfolio by adding new drug delivery forms. Our existing formulations are primarily oral solids and oral liquids. We are expanding our formulation manufacturing facility to include a new section for injectables. The injectable facility is designed to have the capability to manufacture delivery forms such as liquid vials and lyophilized vials,

dry powder injections and sterile powder lyophilization. We intend to use this facility to serve customers in India and emerging markets, subject to receipt of approvals from the regulatory authorities in these markets. We expect the addition of injectables to further diversify our revenue streams and positively contribute to our profitability. Further, we expect that the addition of injectables will increase our supplies to certain institutions which only procure in-house manufactured products rather than in-licensed products. In addition, it will allow us to further forward integrate some of our APIs into formulations. It will also provide a platform for us to grow our CDMO business.

- *Expanding our formulation portfolio.* We intend to expand into new formulations that have relatively higher growth potential and continually calibrate our product mix to improve profitability. We plan to leverage our API capabilities to continue to develop new formulations. We have certain formulations in the pipeline at various stages of development. Additionally, we intend to add new formulations to our portfolio through in-licensing opportunities within India.

Improve cost management and operational efficiencies

We plan to enhance our profitability by continuing to improve our cost management and operational efficiencies, including:

- *Process efficiency.* We strive to improve the production process to optimize our processes and achieve higher yields, with the support of our R&D team. For example, we test different combinations of medium components and process conditions to increase product yield and ensure consistent product quality.

- *Scale efficiency*. We seek to leverage economies of scale through capacity expansion. We incur certain fixed overheads, including utilities, salaries and depreciation of assets in our operations. We aim to increase capacity utilization, which can reduce fixed overheads per product, increase our profitability and improve our operating leverage.

- *Product mix*. We intend to focus on high-value, low-volume products within our product portfolio. We also seek to benefit from optimizing our product selection strategy.

Grow our CDMO business

We leverage our R&D capabilities and experience to offer CDMO services for (i) APIs in the area of fermentation and semi-synthesis; and (ii) formulations. We have completed two CDMO projects and have one additional CDMO project in progress. Due to the existing technical expertise and the operating standards and protocols that adhere to global standards, large contract development and manufacturing service providers in India are positioned to benefit from the growing demands for CDMO services. (*Source: F&S Report*) We believe our established fermentation platform, strong R&D and manufacturing capabilities, track record in the global markets, accreditations and long-standing relationships with pharmaceutical companies will provide us with opportunities to participate in development and manufacturing of generic and innovator drugs, including NCEs.

DESCRIPTION OF OUR BUSINESS

As of March 31, 2022, we had a portfolio of 56 brands and 65 products manufactured by us, including 22 APIs and 43 formulations. In addition, as of March 31, 2022, we had 80 out-licensed formulation which we distributed in India under our brands.

The following table sets forth a breakdown of our revenue from operations by geography for the years indicated:

	For the Financial Year					
	2020		**2021**		**2022**	
	(₹ in millions)	***% of Total***	***(₹ in millions)***	***% of Total***	***(₹ in millions)***	***% of Total***
India	2,615.64	51.05%	2,526.53	40.95%	3,374.13	47.33%
USA	798.06	15.58%	1,597.92	25.90%	1,314.50	18.44%
Rest of the world	1,709.59	33.37%	2,044.98	33.15%	2,440.70	34.23%
Total	**5,123.29**	**100.00%**	**6,169.43**	**100.00%**	**7,129.33**	**100.00%**

API Business

We develop, manufacture and market APIs with a focus on fermentation-based semi-synthetic APIs. As on the date of this Draft Red Herring Prospectus, we filed more than 120 DMFs across several countries. We sell APIs in both regulated markets and emerging markets.

Therapeutic Areas

Immunosuppressants

As of March 31, 2022, we offered six immunosuppressant APIs. The following table sets forth our immunosuppressant APIs and their regulatory filings across the key markets as of March 31, 2022:

	Molecule	Regulatory Filings				
		US	EU	Canada	Japan	China
1.	Tacrolimus(1)	√	—	√	√	√
2.	Mycophenolate Mofetil	—	√	√	√	—
3.	Mycophenolate Sodium	—	√	√	—	√
4.	Cyclosporine	√	√	√	√	√
5.	Sirolimus	√	√	—	—	—
6.	Pimecrolimus	—	—	—	—	—

Note:
(1) In addition, as of March 31, 2022, we offered tacrolimus 20%, a pre-mixed form of tacrolimus.

Anti-bacterials

As of March 31, 2022, we offered four anti-bacterial APIs. The following table sets forth our anti-bacterial APIs and their regulatory filings across the key markets as of March 31, 2022:

	Molecule	Regulatory Filings				
		US	EU	Canada	Japan	China
1.	Mupirocin	√	√	—	—	√
2.	Mupirocin Calcium	—	√	√	—	—
3.	Vancomycin Hydrochloride	—	√	—	—	—
4.	Teicoplanin	√	—	—	—	—

Anti-fungals

As of March 31, 2022, we offered three anti-fungal APIs, namely anidulafungin, micafungin sodium and caspofungi. There were no regulatory filings in relation to these anti-fungal APIs as of March 31, 2022.

Oncology Drugs

As of March 31, 2022, we offered six oncology drug APIs. The following table sets forth our oncology drug APIs and their regulatory filings across the key markets as of March 31, 2022:

	Molecule	Regulatory Filings				
		US	EU	Canada	Japan	China
1.	Temsirolimus	√	—	—	—	—
2.	Everolimus(1)	√	√	√	√	—
3.	Romidepsin	√	—	—	—	√
4.	Mitomycin	√	√	—	—	—
5.	Dactinomycin	√	—	—	—	—
6.	Midostaurin	√	—	—	—	—

Note:
In addition, as of March 31, 2022, we also offered everolimus pre-mix 2% and everolimus pre-mix 9.09%, which are pre-mixed forms of everolimus.

Others

As of March 31, 2022, we had regulatory filings for two other APIs. The following table sets forth our other APIs and their regulatory filings across the key markets as of March 31, 2022:

	Molecule	Regulatory Filings				
		US	EU	Canada	Japan	China
1.	Lovastatin	√	√	—	—	—
2.	Pravastatin Sodium	√	√	—	—	—

Additionally, we had several APIs in our pipeline, such as polymyxin B sulphate, fidaxomicin, daptomycin, nystatin, epirubicin, doxorubicin, idarubicin and pirarubicin, as of March 31, 2022.

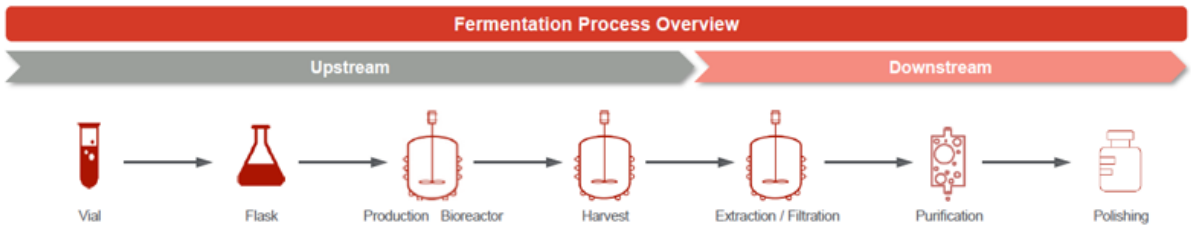
Within our API portfolio, as of March 31, 2022, we also offer amidase, which is an enzyme and biocatalyst.

Production Process

We specialize in fermentation-based and semi-synthetic APIs.

Fermentation

The following diagram illustrates our fermentation process:



Semi-synthesis

Our semi-synthetic APIs are fully backward integrated with in-house fermentation-based APIs as key starting materials. For the financial years 2020, 2021 and 2022, we procured certain fermentation-based APIs from third party suppliers as key starting materials for our semi-synthetic APIs for cost efficiency. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business*" on page 28. In the event of disruption in the supply of these key starting materials, we are able to manufacture them in-house.

The following table indicates whether our APIs are fermentation-based or semi-synthesized:

Molecule	Type
Immunosuppressants	
Tacrolimus	Fermentation-based
Mycophenolate Mofetil	Semi-synthetic(1)
Mycophenolate Sodium	Semi-synthetic(1)
Cyclosporine	Fermentation-based
Sirolimus	Fermentation-based
Pimecrolimus	Semi-synthetic(1)
Anti-bacterials	
Mupirocin	Fermentation-based
Mupirocin Calcium	Semi-synthetic(1)
Vancomycin Hydrochloride	Fermentation-based
Teicoplanin	Fermentation-based
Anti-fungals	
Anidulafungin	Semi-synthetic(1)
Micafungin Sodium	Semi-synthetic(1)
Caspofungin	Semi-synthetic(1)
Oncology drugs	
Temsirolimus	Semi-synthetic(1)
Everolimus	Semi-synthetic(1)
Romidepsin	Fermentation-based
Mitomycin	Fermentation-based

Molecule	Type
Dactinomycin	Fermentation-based
Midostaurin	Semi-synthetic(1)
Others	
Lovastatin	Fermentation-based
Pravastatin Sodium	Semi-synthetic(1)

Note:

(1) Manufactured with our in-house fermentation-based key starting materials.

Formulation Business

We forayed into the formulation business in 2016. We manufacture immunosuppressant formulations by leveraging our in-house API manufacturing capabilities. They are offered under our own brands in India, and sold across emerging countries in Asia, Africa and Latin America and the United States, primarily through arrangements with distributors. In addition, we offer nephrology drugs and anti-infectives for critical care which we in-license in India under our own brands.

Immunosuppressants

As of March 31, 2022, we offered seven immunosuppressant formulations. The following table sets forth our immunosuppressant formulations:

S/n	Molecule	Geography	Trade name	Form	Dosage
1.	Tacrolimus	India	Tacrocord	Capsules	0.25 mg, 0.5 mg, 1 mg, 2 mg
		US	Tacrolimus Capsules USP	Capsules	0.5 mg, 1 mg, 5 mg
		Others	Tacrocord & Placord	Capsules	0.5 mg, 1 mg, 5 mg
2.	Mycophenolate Mofetil	India	Mofecon	Tablets	250 mg, 500 mg, 750 mg
			Mofecon OS	Oral suspension	1g/5ml
		US	Mycophenolate Mofetil USP	Capsules	250 mg
			Mycophenolate Mofetil USP	Tablets	500 mg
		Others	Mofecon & MMF Cord	Capsules	250 mg
				Tablets	500 mg
3.	Mycophenolate Sodium	India	Mofecon-S	Tablets	180 mg, 360 mg, 540 mg
		US	Mycophenolic Acid Delayed Release Tablets	Tablets	180 mg, 360 mg
		Others	Mycophenolic Acid Delayed Release Tablets	Tablets	180 mg, 360 mg
4.	Cyclosporine	India	Conimune ME	Capsules	25 mg, 50 mg, 100 mg
			Cyclograf ME	Oral solution	100 mg/ml
5.	Everolimus	India	Evercon	Tablets	0.25 mg, 0.50 mg
6.	Rituximab	India	Conimab	Injection	500mg/50 ml, 100mg/10ml
7.	Valganciclovir	India	Valocon	Tablets	450 mg

Nephrology Drugs

As of March 31, 2022, we offered 14 nephrology drug formulations which we are manufactured by third parties under our own brands. The following table sets forth our in-licensed nephrology drug formulations:

S/n	Molecule	Trade name	Form	Dosage
1.	Darbepoetin Alfa	Darbecon	Injection	25 mcg, 40 mcg, 60 mcg
2.	Iron Sucrose	Coniron	Injection	100mg/5ml
3.	Cinacalcet	Cinacet	Tablets	30 mg
4.	Sevelamer Carbonate	Sevecord	Tablets	400 mg, 800 mg
5.	Pre-probiotics	Milipro90	Capsules	90 Billions CFU
6.	Alpha Ketoanalogue	Valolog	Tablets	1 gm

S/n	Molecule	Trade name	Form	Dosage
			Sachets	3 gm
7.	Sunflower Oleodistillate	UPShield	Cream	2% w/w
8.	Sodiumbicarbonate	Nabosis	Tablets	500 mg and 1000 mg
9.	Calcium Acetate	Cacecon	Tablets	667 mg
10.	Levocarnitine	Kanilev	Tablets	330 mg
			Injection	200 mg/ml
11.	Calcium Polysterene Sulphonate	Picatol	Sachets	15.3 gm
12.	Calcitriol	Kalcord	Capsules	0.25 mcg
13.	Febuxostat	Unuric	Tablets	40 mg and 80 mg
14.	Acetyl Cysteine + Taurine	Noxiteine	Tablets	150 mg + 500 mg

Anti-infectives for Critical Care

As of March 31, 2022, we offered 14 anti-infective formulations for critical care which we are getting manufactured from third parties under our own brands. The following table sets forth our anti-infective formulations for critical care:

S/n	Molecule	Trade name	Form	Dosage
1.	Anidulafungin	Anicord	Injection	100 mg
2.	Micafungin	Micacord	Injection	50 mg
3.	Daptomycin	Dapute	Injection	350 mg
4.	Teicoplanin	Teicocord	Injection	200 mg, 400 mg
5.	Meropenem	Mepecon & Meroeva	Injection	500 mg, 1000 mg, 2000 mg
6.	Meropenem + Sulbactam	Mepecon-SB	Injection	1.5 g
7.	Tigecycline	Tigicon	Injection	50 mg
8.	Colistimethate Sodium	Cricolist	Injection	1 MIU, 2 MIU, 3 MIU, 4.5 MIU
9.	Polymyxin B	Pobix	Injection	500,000 IU
10.	Fosfomycin Sodium	Fosutrac	Injection	4 g
11.	Vancomycin Hydrochloride	Vanogard	Injection	500 mg, 1000 mg
12.	Minocycline	Mnocrit	Injection	100 mg
13.	Voriconazole	Vorixia	Tablets	200 mg
14.	Liposomal Amphotericin-B	Amfoterol	Injection	50 mg

Others

The following table sets forth our other formulations:

S/n	Molecule	Trade name	Therapeutic area	Form	Dosage
1.	Caspofungin Acetate	Caspocon & Caspoeva	Anti-fungal	IV	50 mg and 70 mg
2.	Muprocin	Muprevent	Anti-bacterial	Ointment	2%w/w
3.	Piperacillin and Tazobactam	Primataz & Hopeva	Anti-bacterial	IV	4.5 gm (4gm + 0.5 gm)
4.	Cefoperazone + Sulbactam	Nexmatch & Inpeva	Anti-bacterial	IV	1 gm (500 gm+500 gm) and 2 gm (1 gm +1 gm)
5.	Cefoperazone + Sulbactam	Nexmatch Forte & Inpeva Forte	Anti-bacterial	IV	1.5 gm (1gm+500 mg) and 3 gm (2gm+1gm)
6.	Human Normal Albumin 20%	Obulin & Conalb	Plasma derivative	IV	100 ml
7.	Posaconazole	Picocord	Anti-fungal	Tablets (Gastro-resistant)	100 mg

S/n	Molecule	Trade name	Therapeutic area	Form	Dosage
8.	Human Normal Immunoglobulin 5%	Gamacon & Gammacord	Plasma derivative	IV	100 ml

Manufacturing Facilities and Approvals

We have three manufacturing facilities in Gujarat. The following table sets forth the details of our manufacturing facilities as of March 31, 2022:

Manufacturing facility	Area (in sq.m.)	Year of commercialization	Products	Regulatory standards
Unit I (Dholka)	112,302	2000	APIs	Inspected by USFDA, Government of Upper Bavaria, Germany, PMDA of Japan and MFDS of Korea
Unit II (Valthera)	94,826	2016	Formulations	Inspected by USFDA
Unit III (Limbasi)	596,309	2021	APIs	—

Unit I (Dholka). Established in 2000, the Dholka facility is our first manufacturing facility for manufacturing APIs. Spread across an area of 112,302 sq.m., it comprises 22 manufacturing blocks that manufacture different classes of APIs. We manufacture all of the types of APIs in our product portfolio in the Dholka facility. In 2005, it received its first USFDA inspection. It received six inspections from USFDA, three inspections from Government of Upper Bavaria for EUGMP certification, one inspection from PMDA of Japan and one inspection from MFDS of Korea.

Unit II (Valthera). The Valthera facility is our formulation manufacturing facility that we established when we forayed into the formulation business in 2016. Spread across 94,826 sq.m., it currently contains our manufacturing unit for oral solids, including tablets and capsules, and oral liquids, including oral solutions and oral suspensions. We are in the process of developing a liquid and lyophilized vials injectable line, a dry powder injectable line and a sterile powder bulk lyophilization line, which will be dedicated to manufacturing of injectables, including injectable liquids, lyophilized injectables and dry powder injectables, upon its completion. In the future, we aim to develop specialty formulations. The Valthera facility has received three inspections from USFDA and one inspection from WHO for GMP.

Unit III (Limbasi). Established in 2021, the Limbasi facility is an API manufacturing facility. Spread across 596,309 sq.m., it comprises 19 manufacturing blocks, including six fermentation blocks and 13 downstream processing blocks. The Limbasi facility has 24 fermenters, 30 m^3 each, in the six fermentation blocks, as well as seed fermenters. It has an aggregate fermentation capacity of 800 m^3. At the Limbasi facility, we have capabilities to handle whole broth extraction, liquid-liquid separation, micro-filtration, nano-filtration, ultra-filtration and column chromatography with the downstream processing blocks. We intend the Limbasi facility to cater to major regulated markets, subject to inspections from the regulatory authorities in these markets.

We have implemented cGMPs across all the three manufacturing facilities. As required by cGMPs, we have established a quality management system to monitor its implementation.

Production Capacity, Actual Production Volume and Capacity Utilization

The following table sets forth the annual production capacity, actual production volume and capacity utilization of our manufacturing facilities for the years indicated:

	As of / for the financial year		
	2020	2021	2022
Unit I (Dholka)			
Installed fermentation capacity[(1)] (m^3)	450	450	450[(2)]
Actual fermentation volumes (m^3)	329	312	319[(2)]
Capacity utilization (%)	73.01%	69.39%	70.93%
Unit II (Valthera)			
Installed production capacity[(1)] (units in millions)	105.30	522.64	522.64

	As of / for the financial year		
	2020	2021	2022
Actual production volumes (units in millions)	37.16	111.39	103.95
Capacity utilization (%)	35.29%	21.31%	19.89%
Dosage capability (per shift)			
Tablets	45,454.55	169,696.97	169,696.97
Capsules	60,606.06	357,575.76	357,575.76
Dry syrup (bottles)	303.03	646.46	646.46
Total per shift	106,363.64	527,919.19	527,919.19
Unit III (Limbasi) – Phase 1			
Installed fermentation capacity[(1)] (m^3)	Nil	Nil	800[(2)]
Actual fermentation volumes (m^3)	Nil	Nil	160[(2)]
Capacity utilization (%)	Nil	Nil	20.00%

Notes:

(1) Calculations based on (i) 330 days of production in a year, and (ii) three shifts of eight hours each per day and an assumption of 24 hours manufacturing.

(2) These figures include seed fermenters and fermenters.

Research and Development

We have dedicated R&D units for both APIs and formulations located in Dholka and Valthera. Both of them are approved by DSIR, India. Our API R&D unit is equipped with facilities for isolation of strain, mutation and passive selection of microbial strains and strain improvement, laboratory fermenters and pilot plant facility for scale-up of fermentation process. Our formulations R&D unit is equipped with facilities to develop and commercialize niche formulations. As of March 31, 2022, we employed 163 personnel at our R&D units, which constituted 13.81% of our total permanent employees.

With respect to APIs, our R&D activities focus on (i) fermentation technology, including strain improvement, media optimization, process development, process scale-up, technology transfer at commercial scale, and process improvement; and (ii) chemical process, including downstream process development, semi-synthetic process development, non-infringing process development, process yield improvement, analytical method development and validation, impurity profiling, method transfer to quality control and technology transfer at commercial scale.

With respect to formulations, our R&D activities focus on (i) formulation development, including immediate and extended release oral solids, oral liquids, topical ointments and creams and liquid, lyophilized and dry powder parenterals; and (ii) analytical capabilities, including physical, chemical, microbiological and instrument analysis as per current Good Laboratory Practices (cGLP) requirements, stability indicating method development and method validation and material compatibility studies.

With our R&D capabilities, we offer a series of contract research and manufacturing services, including: (i) strain improvement; (ii) media optimization; (iii) process development and optimization to achieve efficiency and cost-effectiveness; (iv) process scale-up to commercial scale; and (v) development of optimized biotransformation processes, (vi) pre-formulation and formulation development for wide range of sterile and non-sterile dosage forms for global markets.

For the financial years 2020, 2021 and 2022, our expenditure on R&D activities amounted to ₹177.78 million, ₹192.91 million and ₹258.47 million, respectively. As of March 31, 2022, we had two patents registered in our name.

Quality Control and Quality Assurance

The pharmaceutical industry is highly regulated. Our manufacturing facilities are regularly inspected and/or audited by regulatory authorities such as the USFDA, European regulatory agencies and JPMDA. In addition, we follow strong internal audit and control procedures which help us adhere to the high standards of quality. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — We are subject to extensive government regulations, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business operations, our business, financial condition, results of operations and cash flows may be adversely affected.*" on page 31.

Maintaining high standards of quality in our R&D and manufacturing operations is critical to our brand and maintenance of long-term relationships with our customers. We have been consistently implementing cGMPs across each of our manufacturing facilities, which are monitored by a comprehensive QMS encompassing all areas of business processes from R&D and raw material procurement to manufacturing to packaging and delivery. We have entered into certain quality assurance agreements. These quality agreements obligate us to among others, purchase all raw material from qualified and approved suppliers and store them as per cGMP and stringent standards of regulatory authorities, manufacture products as per agreed instructions and protocols, and comply with quality control requirements. Further, many of our contracts such as licenses and manufacturing agreements, supply and distribution agreements and purchase agreements include provisions for entering into separate quality assurance contracts with our distributors.

As of March 31, 2022, we employed 279 personnel to perform quality control and quality assurance functions, constituting, 23.64% of our total permanent employees. We have dedicated qualified professionals with significant industry experience to maintain our required quality standards.

Customers

We had over 200 customers in over 70 countries as of March 31, 2022 for both our APIs and formulations. Our APIs are provided under a B2B model to pharmaceutical companies globally. In India, our formulations are provided primarily under a B2B model through 1,500 government and corporate hospitals. In the US and emerging countries in Asia, Africa and Latin America, we distribute our formulations primarily through arrangements with distributors, who license our dossiers for registration with their respective regulatory authorities and distribute under our brand names. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — If we do not maintain and increase the number of our arrangements for the marketing and distribution of our products, our business, financial condition and results of operations could be adversely affected.*" on page 35.

We typically conduct our business on a purchase order basis. We have entered into long-term supply agreements with a few of our customers. For our formulation business, we have entered into certain agreements with our customers for the supply of our products in the relevant geographical markets, such as the United States, Mexico and Ecuador. Under these agreements, our customers are given the right to register, market and distribute the products on our behalf. These agreements set a minimum annual purchase obligation on our customers, under which they are required to share with us, on a good faith basis, a rolling forecast estimating the quantities of products that they expect to purchase from us in the upcoming month or quarter. Under these agreements, our product quality and manufacturing processes must be compliant with all the applicable statutory requirements governing the products in the relevant territory, and we must maintain a valid cGMP at all times. Our customers are also required to enter into quality assurance agreements with us to ensure the compliance of all quality control protocols.

For the financial years 2020, 2021 and 2022, we generated revenues from operations of ₹2,811.83 million, ₹2,725.28 million and ₹3,101.90 million, respectively, or approximately 60.20%, 48.20% and 47.66%, respectively, of our revenue from operations for the same periods, from our top ten customers by revenue for the respective periods.

Suppliers

The key raw materials that we use for our manufacturing operations include (i) certain fermentation-based APIs as key starting materials for our semi-synthetic APIs. We procure them from third party suppliers for cost efficiency, although we are able to manufacture them in-house; and (ii) other materials such as excipients, manufacturing consumables, laboratory chemicals and packaging materials. We identify and approve multiple suppliers to source our key raw materials and we place purchase orders with them from time to time. We do not have any long term contracts with our suppliers and prices are typically negotiated for each purchase order. We currently source our key raw materials from suppliers in China, Thailand and Japan. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business.*" on page 28. We seek to reduce the risks of our operations by continuing to diversify our procurement base, reduce the amount of materials that we import and procure more materials from Indian suppliers. We also conduct tests and analyses on raw materials supplied by our suppliers periodically to maintain quality standards. We carefully screen our suppliers and vendors based on our pre-defined criteria that takes into factors such as their ability to recycle, repurpose, reprocess or recover materials, their internal controls with respect to environmental and social aspects, their compliance with regulatory

legislations, and their safety provisions and overall business conduct. We have implemented a system for due diligence where each supplier must provide certain details on their operations based on our in-house preliminary information questionnaire which covers various ESG aspects that allow us to ensure that our sourcing practices are in line with our long-term sustainability objectives. For the financial years 2020, 2021 and 2022, except for one supplier, no other single supplier contributed to more than 7.00% of our cost of materials consumed.

Sales and Marketing

As of March 31, 2022, our sales and marketing team in India comprised 141 personnel who interact regularly with doctors and other healthcare providers to promote our formulations. Our marketing team comprises professionals who have developed a variety of marketing techniques and programs to promote our products. We also regularly participate in various international trade exhibitions and meetings to promote our Company and our portfolio of products.

We have entered into several consignment sales agent ("**CSA**") agreements and stockist agreements with dealers across India. We appoint CSAs to handle, store and sell our products, and they form a crucial part of our supply chain. In order to maintain the availability of our products in the relevant markets, our products are supplied to these CSAs and stockists in quantities that are calculated based on an agreed formula, which takes into account the amount of sales of the previous month, as well as rack stock and transit stock. This helps us in maintaining the stock as per the market demand.

Environmental, Health and Safety Matters

We have an internal framework and governance structure in place for compliance with applicable standards and we are committed to complying with regulatory standards of the various markets where our products are sold. We have integrated sustainability throughout our operations through meaningful interventions in the form of environmental and safety management initiatives as well as measures to ensure our operations have minimal adverse impacts on the occupational health of our workforce.

We place a great emphasis on the effects of our operations on the environment and the impacts of climate change on our business as we believe these factors can significantly influence our resilience and long-term sustainability. We are subject to various Indian environmental laws and regulations, including regulations relating to the prevention and control of water pollution and air pollution, environmental protection, hazardous waste management and noise pollution. These laws and regulations govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from our operations. To ensure compliance and adherence to responsible business practices, we have established standard operating procedures to handle different categories of waste and our waste management strategy includes monitoring and control procedures for waste categorization, segregation, minimization, safe handling, transport and disposal of waste. We have established a full-scale effluent treatment plant with two streams, consisting of physico-chemical, biological treatment and advanced treatment facilities. The treated effluent is discharged in the factory premises, and is used for gardening purpose. We seek to ensure that pollution levels from our operations are within the permissible limits prescribed by regulatory authorities.

We mitigate our use of power in our manufacturing operations through measures such as optimizing energy consumption, reducing waste and utilizing clean energy. In addition, we have utilized innovations such as energy-efficient centrifugal air compressors, water chillers and motors. We take efforts to carefully utilize the water resource available to us, and work towards using water efficiently by reducing consumption, recycling and rainwater harvesting.

Accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. All our manufacturing facilities possess effluent treatment processes, including facilities aimed towards zero liquid discharge, to minimize any contamination of the surrounding environment or pollution.

Failure to comply with the applicable laws, regulations and directions may subject us to penalties and may also result in the closure of our facilities. See "*Risk Factors — Internal Risk Factors — Non-compliance with and changes in environmental, health and safety, and labor laws and other applicable regulations may adversely affect our business, financial condition, results of operations and cash flows.*" on page 37.

Corporate and Social Responsibility

We have adopted a Corporate Social Responsibility ("**CSR**") policy. Our CSR activities are primarily focused on:

- *Healthcare.* We promote healthcare, including preventive healthcare, through providing awareness programs, health check-ups and medicine and treatment facilities. Our mobile medical unit travels to nearby villages to provide free medication and consultations.

- *Education.* We promote education, especially among children, by supporting schools with the necessary infrastructure. We installed e-smart classes in schools of neighboring villages. We also provide scholarships to students of Indian Institutes of Technology with economically-difficult backgrounds.

- *Gender equality and empowerment of women.* We conduct regular awareness programs in nearby communities to promote gender equality and empowerment of women.

- *Environmental sustainability.* We carry out tree-planting programmes and rainwater harvesting projects.

- *Rural development projects.* We work with certain governmental agencies to strengthen rural areas by improving drinking water, hygiene and sanitation.

Our CSR activities are monitored by the CSR committee of our Board. For the financial years 2020, 2021 and 2022, our CSR expenses amounted to ₹28.70 million, ₹33.37 million and ₹44.95 million, respectively.

Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, work accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to product liability claims if the products that we manufacture are not in compliance with regulatory standards and the terms of our contractual arrangements.

We maintain insurance policies that we believe are customary for companies operating in our industry. Our principal types of coverage include insurance for industrial all risk, erection all risk, money insurance, boiler policy, public liability, directors' and officers' liability, fire policy and vehicles. Our insurance policies may not be sufficient to cover our economic loss. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — Our insurance coverage may not be sufficient or adequate to cover our losses or liabilities. If we suffer a large uninsured loss or if we suffer an insured loss that significantly exceeds our insurance coverage, our financial condition and results of operations may be adversely affected*." on page 42.

Employees

Our work force is a critical factor in maintaining our competitive position. As of March 31, 2022, we employed a total of 1,180 permanent employees, as well as 591 contract workers.

The following table sets forth the function wise split of our permanent employees as of March 31, 2022:

Particulars	Number of Employees
R&D	163
Production	367
Finance and accounts	49
Quality and regulatory	279
Marketing	141
Others	181
Total	1,180

We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We seek to maintain good relations with our employees and their labor unions and have not experienced any work disruptions to date.

Intellectual Property

We have a dedicated intellectual property team which is responsible for filing patents in both the Indian and overseas markets.

As on the date of this Draft Red Herring Prospectus, we had been granted two patents in the United States, and had filed more than 120 DMFs for APIs with various regulatory agencies across the world. We aim to continue to file patent applications seeking to protect the new innovations and novel processes that we may develop in the future in both developed markets and emerging markets. Existing or future patents issued or licensed to us may provide some competitive advantages for our products, however, they may also be challenged, invalidated or circumvented by our competitors. In addition, such patent rights may not prevent our competitors from developing, using or commercializing products that are similar or functionally equivalent to our products.

In addition, we have obtained have registration for or have applied for registration under the Trademarks Act in respect of our top brands under various classes. As on the date of the Draft Red Herring Prospectus, we hold 54 registered trademarks including Tacrocord, Mofecon and Darbecon brands, and had made applications seeking registration for 22 trademarks with the Registrar of Trademarks, under the Trademarks Act.

Information Technology

Our IT systems are vital to our business. In compliance with prevailing laws, we have adopted an IT policy to assist us in our operations. There are automation systems implemented at our manufacturing facilities, which assist us in our day-to-day operations. We have also implemented the use of enterprise resource planning in managing our material management, sales and distribution. We consistently make efforts to upgrade our systems to ensure business continuity.

Competition

Our competition varies by market, therapeutic area and product category. Our principal competitors are fermentation-based API manufacturers and pharmaceutical companies in China, Taiwan, Korea and India. For further details, see "*Industry Overview — Global Fermentation API Market by Regional Consumption – Competitive Landscape*" on page 112.

Immovable Properties

Our registered office is located at 1482-86 Trasad Road, Dholka, Ahmedabad – 382225, India and is owned by us and our corporate office is located at B-1601 & B-1602, Mondeal Heights, S G highway, Ahmedabad-380051, India, which is leased by us.

The details of the properties with respect to our manufacturing are as set out below:

S/N	Manufacturing Unit and Location	Work Stream Description	Property *(Leased or owned)*	Lessor	Lessor whether a related party	Lease Tenure
Unit I						
1.	Survey No. 1485,1486, Mouje Dholka, Taluka Dholka, District Ahmedabad	API	Owned	NA	NA	NA
2.	Survey No. 1482,1483, 1484, Mouje Dholka, Taluka Dholka, District Ahmedabad	API	Owned	NA	NA	NA
Unit II						
3.	Survey No. 297, Khata no. 127, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Owned	NA	NA	NA
4	Survey No. 298/2, Khata no. 173, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Owned	NA	NA	NA
5	Survey No. 298/2, Khata No. 42, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Owned	NA	NA	NA
Unit III						

S/N	Manufacturing Unit and Location	Work Stream Description	Property *(Leased or owned)*	Lessor	Lessor whether a related party	Lease Tenure
6	Block No. 668, Mouje Village Malawada, Taluka Matar, Limbasi, Distict Kheda	API	Owned	NA	NA	NA
7	Block No. 84, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
8	Block No. 94/A, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
9	Block No. 94/B, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
10	Block No. 119, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
11	Block No. 120, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
12	Block No. 126, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
13	Block No. 666, Mouje Village Malawada, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
14	Block No. 667, Mouje Village Malawada, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
15	Block No. 135, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
16	Block No. 136, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
17	Block No. 127, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
18	Block No. 131, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
19	Block No. 132, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA
20	Block No. 137, Mouje Village Ranasar, Taluka Matar, Distict Kheda	API	Owned	NA	NA	NA

The details of the properties with respect to our R&D centres are as set out below:

S/N	R&D Location	Work Stream Description	DSIR Registered *(Yes/No)*	Property Leased or Owned	Lessor	Lessor whether a related party	Lease Tenure
Unit I (API)							
1.	Survey No. 1485,1486, Mouje Dholka, Taluka Dholka, District Ahmedabad	API	Yes	Owned	NA	NA	NA
2.	Survey No. 1482,1483, 1484, Mouje Dholka, Taluka Dholka, District Ahmedabad	API	Yes	Owned	NA	NA	NA
Unit II (Formulations)							
3.	Survey No. 297, Khata no. 127, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Yes	Owned	NA	NA	NA
4.	Survey No. 298/2, Khata no. 173, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Yes	Owned	NA	NA	NA
5.	Survey No. 298/2, Khata No. 42, Mouje Valthera, Taluka Dholka, District Ahmedabad	Formulation	Yes	Owned	NA	NA	NA

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions.

Our Company is an India-based biopharma company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share, based on volume in 2021(*Source: F&S Report*). *Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations in India. For information regarding regulatory approvals required by our Company, see "Government and Other Approvals" on page 275.*

The following is an overview of some of the important laws and regulations, which are relevant to Company's business of manufacturing and dealing in pharmaceutical products.

INDIAN LAWS APPLICABLE TO OUR COMPANY

Drugs (Control) Act, 1950 ("Drugs Act")

The Drugs Act provides for control of sale, supply, and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Clinical Trial under the Drugs and Clinical Trial Rules, 2019

The Clinical trials in India are controlled by the Director General ("**DG**") of health services under the ministry of health and family welfare. The New Drugs and Clinical Trial Rules, 2019 ("**NDC Rules**") lay down the process mechanics and guidelines for clinical trials, including procedure for approval for clinical trials. Clinical trials require obtaining of free, informed and written consent from each study subject. The NDC Rules also provide for compensation in case of injury or death caused during clinical trials. The Central Drugs Standard Control Organisation has issued the Guidance for industry for submission of clinical trial application for evaluating safety and efficacy, for the purpose of submission of clinical trial application as required under the NDC Rules.

National Ethical Guidelines for Biomedical and Health Research Involving Human Participants, 2017 (the "Clinical Trial Guidelines")

The Indian Council of Medical research has issued the Clinical Trial Guidelines which envisage that medical and related research using human beings as research participants must, necessarily, inter alia, ensure that the research is conducted in a manner conducive to, and consistent with, their dignity, well-being and under conditions of professional fair treatment and transparency. Further, such research is subjected to evaluation at all stages of the same.

The Clinical Trials Guidelines further mandate the maintenance of records for a period of five years after completion of the clinical trial, bioavailability study or bioequivalence study, as the case may be.

The Essential Commodities Act, 1955 (the "ECA")

The ECA empowers the Central Government, to control production, supply and distribution of, trade and commerce in certain essential commodities for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices or for securing any essential commodity for the defence of India or the efficient conduct of military operations. Using the powers under it, various ministries/departments of the Central Government have issued control orders for regulating production, distribution, quality aspects, movement and prices pertaining to the commodities which are essential and administered by them. The State Governments have also issued various control orders to regulate various aspects of trading in essential commodities such as food

grains, edible oils, pulses, kerosene, sugar and drugs. Penalties in terms of fine and imprisonment are prescribed under the ECA for contravention of its provisions.

National Pharmaceuticals Pricing Policy, 2012 (the "2012 Policy")

The 2012 Policy intends to provide the principles for pricing of essential drugs specified in the National List of Essential Medicines – 2011 ("**NLEM**") declared by the Ministry of Health and Family Welfare, Government of India and modified from time to time, in order to ensure the availability of such medicines at reasonable price, while providing sufficient opportunity for innovation and competition to support the growth of the industry. The prices are regulated based on the essential nature of the drugs. Further, the 2012 Policy regulates the price of formulations only, through market based pricing which is different from the earlier principle of cost based pricing. Accordingly, the formulations will be priced by fixing a ceiling price and the manufacturers of such drugs will be free to fix any price equal to or below the ceiling price.

The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954 (the "DMRA")

The DMRA seeks to control advertisements of drugs in certain cases and prohibits advertisement of remedies that claim to possess magic qualities. In terms of the DMRA, advertisements include any notice, circular, label, wrapper or other document or announcement. It also specifies the ailments for which no advertisement is allowed and prohibits advertisements that misrepresent, make false claims or mislead. Further, the Drugs and Magic Remedies (Objectionable Advertisements) Rules, 1955 have been framed for effective implementation of the provisions of the DMRA.

Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO prescribes *inter alia* the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Central Government and penalties for contravention of its provisions.

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transhipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines.

The Boilers Act, 1923 ("Boilers Act") read with Indian Boilers Regulations, 1950

The Boilers Act and rules thereof encompass rules and regulations for the safe and proper construction, erection, repair, use and operation of boilers. The Boilers Act also lays down the process for formulation of boiler rules, examination by and appointment of boiler inspectors, provisions for inspection certifications and imposition of penalties for the violations of any provisions of the Boilers Act. The owner of boilers which are not exempted under this Act are required to register their boilers by applying to the inspector with prescribed documents

following which the inspector shall fix a date within 30 days of receipt of the application and shall inspect the boiler.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Explosives Act, 1884 ("Explosives Act") and the Explosives Rules, 2008 ("Explosives Rules")

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

The Food Safety and Standards Act, 2006 (the "FSSA")

The FSSA was enacted with a view to consolidate the laws relating to food and establish the Food Safety and Standards Authority of India ("**FSSAI**") for setting out scientific standards for articles of food and to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The standards prescribed by the FSSAI include specifications for ingredients, contaminants, pesticide residue, biological hazards and labels. The FSSA also sets out requirements for licensing and registering food businesses, general principles of food safety, and responsibilities of the food business operator ("**FBO**") and liability of manufacturers and sellers, and adjudication by 'Food Safety Appellate Tribunal'.

The FSSAI has also framed, among others, the following food safety and standards regulations in relation to various food products and additives:

- Food Safety and Standards Rules, 2011
- Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
- Food Safety and Standards (Food Recall Procedure) Regulations, 2017
- Food Safety and Standards (Packaging and Labelling) Regulations, 2011
- Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011
- Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011
- Food Safety and Standards (Contaminants, Toxins and Residues) Regulations, 2011
- Food Safety and Standards (Packaging) Regulations, 2018
- Food Safety and Standards (Labelling and Display) Regulations, 2020

Export Oriented Unit Scheme ("***EOU Scheme***")

The Ministry of Commerce, Government of India introduced the EOU Scheme on December 31, 1980. The EOU Scheme is governed by chapter six of the Foreign Trade Policy. An Export oriented unit can import from bonded warehouses in the domestic tariff area which are outside SEZ and Export oriented unit. They are typically required to fulfil certain criteria such as achievement of positive net foreign exchange earnings cumulatively in a five-year block period. Export oriented units are units which must export their entire production (except permitted sales in Domestic Tariff Area). They may be engaged in the manufacture, services, development of software, trading, repair, remaking, reconditioning and re-engineering. Export oriented units are allowed to import or locally procure, duty free, all types of goods including capital goods, raw materials and consumables required for export production. Export oriented unit premises are approved as private warehouses under Section 58 of the Customs Act.

Laws relating to environment

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, must obtain the consent of the relevant State pollution control board.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State pollution control board

Environment Protection Act, 1986 ("EP Act") and the Environment Protection Rules, 1986 ("EP Rules")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take all necessary steps to ensure that such waste is handled without any adverse effect to human health and environment and *inter alia* to make provisions for a safe premises, ventilated and secured location for storage of segregated bio-medical waste, pre-treat laboratory waste and provide training to workers involved in handling bio-medical waste. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, receipt, storage, transportation, treatment, disposal, or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term 'hazardous waste' to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers,

being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, *inter alia*, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from the respective State pollution control board for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilising, selling, transferring or disposing hazardous or other waste.

Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules")

The Noise Pollution Rules regulate and control the noise producing and generating sources including from industrial activity, and sets ambient air quality standards in respect of noise for different areas/zones. The Noise Pollution Rules provide for penalties in accordance with the EP Act for use of loud speakers, public address system, among others, in a silence zone or area.

***Public Liability Insurance Act, 1991** ("**Public Liability Act**")*

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring against liability under the Public Liability Act. The rules made under the Public Liability Act mandate that the owner has to contribute towards the Environment Relief Fund, a sum equal to the premium payable to the insurer under the insurance policies.

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996 ("Chemical Accidents Rules")

The Chemical Accidents Rules, formulated pursuant to the provisions of the EPA, seek to manage the occurrence of chemical accidents, by inter alia, setting up a central crisis group and a crisis alert system. The functions of the central crisis group inter alia include, (i) conducting post-accident analysis of major chemical accidents; (ii) rendering infrastructural help in the event of a chemical accident; and (iii) review district off site emergency plans.

The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("HCR Rules")

The HCR Rules are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

Biotechnology policy (2022-27), Gujarat State Biotechnology Mission ("Gujarat Biotechnology Policy")

The Department of Science and Technology, Government of Gujarat, formulated the Gujarat Biotechnology Policy with an objective to, *inter alia*, develop strategic and emerging sectors in biotechnology. The Gujarat Biotechnology Policy is applicable on such eligible units which undertake investment to begin manufacture or service of biotechnology products specified therein. Pursuant to this policy, the eligible entities are entitled to avail various subsidies including stamp duty and registration fee paid towards purchase/ lease/ transfer of land and/or office space; subsidy on tariffs for power purchased from State electricity distribution companies or power distribution licensees, incentive to eligible employees of the biotechnology units, subsidies on interest on the term loans. The Gujarat Biotechnology Policy is in effect until March 31, 2027.

Laws related to intellectual property

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to register trademarks applied for in India and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark. Application for the registration of trademarks has to be made to Trade Marks registry by any person or persons claiming to be the proprietor of a trade mark, whether individually or as joint applicants, and can be made on the basis of either actual use of intention to use a trade mark in the future. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights ("**TRIPS**"); India recognizes both product as well as process patents. The Patents Act provides for the following, among other things:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement;
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer; and
- Application for a patent can be filed in any of the four patent offices in India.

Laws relating to taxation

The Goods and Services Tax ("**GST**") is levied on supply of goods or services or both jointly by the Central Government and State Governments. GST provides for imposition of tax on the supply of goods or services and will be levied by the Central Government and by the state government including union territories on intra-state supply of goods or services. Further, Central Government levies GST on the inter-state supply of goods or services. The GST is enforced through various acts viz. Central Goods and Services Act, 2017 ("**CGST**"), relevant state's Goods and Services Act, 2017 ("**SGST**"), Union Territory Goods and Services Act, 2017 ("**UTGST**"), Integrated Goods and Services Act, 2017 ("**IGST**"), Goods and Services (Compensation to States) Act, 2017 and various rules made thereunder.

Further, the Income-tax Act, 1961 (the "**Income Tax Act**") is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of the Income Tax Act or rules made there under depending upon its "Residential Status" and "Type of Income" involved. The Income Tax Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India. Every company assessable to income tax under the Income Tax Act is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax, etc. In 2019, the Government has also passed an amendment act pursuant to which concessional rates of tax are offered to a few domestic companies and new manufacturing companies.

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Excise Act, 1944;
- Customs Act, 1962;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder;
- State-wise legislations in relation to professional tax;

Laws relating to employment

Certain other laws and regulations relating to employment that may be applicable to our Company include the following:

- Apprentices Act, 1961;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Child Labour (Regulations and Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959;
- Equal Remuneration Act, 1976;
- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- Industrial Employment (Standing Order) Act, 1946;
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
- Minimum Wages Act, 1948;
- Maternity Benefit Act, 1961;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sales Promotion Employees (Condition of Service) Act, 1976;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Shops and Establishments legislations in various states;
- The Maternity Benefit Act, 1961;
- Trade Unions Act, 1926;
- Workmen's Compensation Act, 1923;

The Government of India has enacted four labour codes, namely, The Code on Wages, 2019 ("**Wage Code**"), The Industrial Relations Code, 2020 ("**Industrial Code**"), The Occupational Safety, Health and Working Conditions Code, 2020 ("**Safety and Health Code**"), and The Code on Social Security, 2020 ("**Social Security Code**"). The Wage Code, Industrial Relations Code, Safety and Health Code, and Social Security Code have received the President of India's assent, and will come into force at a date notified by the Central Government.

The Wage Code amends and consolidates laws relating to wages and bonus. It subsumes and replaces four existing laws, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

The Industrial Relations Code consolidates and amends laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial dispute. It subsumes and replaces the Industrial Disputes Act, 1947, Trade Unions Act, 1926, and Industrial Employment (Standing Orders) Act, 1946.

The Safety and Health Code subsumes and replaces certain existing labour legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.

The Social Security Code subsumes and replaces certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.

Laws relating to foreign investment

Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA NDI Rules")

The FEMA NDI Rules, as formulated under the Foreign Exchange Management Act, 1999, place restrictions on investment in India by a person resident outside India and restrictions on receiving investments by Indian entities from persons resident outside India. Any investment made by a person resident outside India is subject to the entry routes, sectoral caps, or the investment limits, as the case may be, and the attendant conditionalities for such investment as laid down in the rules.

Currently under the FEMA NDI Rules, the sectoral cap for the pharmaceutical sector is as follows: (i) for greenfield projects, 100% FDI is permitted under the automatic route; (ii) for brownfield projects (other than manufacturing of medical devices), 74% FDI is permitted under the automatic route and beyond 74% FDI is permitted under the government approval route; and (iii) for brownfield projects for manufacturing of medical devices, 100% FDI is permitted under the automatic route.

Foreign investment in brownfield pharmaceuticals, irrespective of entry route, is further subject to the following conditions: (i) the production level of National List of Essential Medicines ("**NLEM**") drugs and/ or consumables and their supply to the domestic market at the time of induction of foreign investment, being maintained over the next five years at an absolute quantitative level; (ii) research and development expenses being maintained in value terms for five years at an absolute quantitative level at the time of induction of foreign investment; (iii) the Ministry of Health and Family Welfare, Department of Pharmaceuticals ("**Administrative Ministry**") must be provided complete information pertaining to the transfer of technology, if any, along with induction of foreign investment into the investee company; and (iv) the Administrative Ministry or any other regulatory agency or department as notified by Central Government from time to time, will monitor the compliance of conditionalities. Further, non-compete clause in any agreement between the foreign investor and the investee brownfield pharmaceutical entity is not allowed except in special circumstances with the Government approval.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as 'Servomed Pharmaceuticals Private Limited' at Ahmedabad, Gujarat as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated November 23, 1984, issued by the Registrar of Companies, Gujarat, at Ahmedabad ("**RoC**"). Thereafter, our Company filed an application dated June 24, 1985 for undertaking the change in the name of our Company to 'Concord Pharmaceuticals Private Limited' as the name 'Concord' was capable of being easily pronounced and popularized in the pharmaceuticals industry, pursuant to which a revised certificate of incorporation dated September 24, 1985 was issued by the RoC. Subsequently, with effect from December 26, 1986, our Company deemed to have become a public company pursuant to Section 43A of Companies Act, 1956. Thereafter, the name of our Company was changed to 'Concord Biotech Limited' as the new management of our Company decided to use the available plant and machinery for biotechnology products, and a fresh certificate of incorporation dated February 16, 2001 was issued by the RoC. Subsequently, our Company became a public company from a deemed public company and a fresh certificate of incorporation dated November 7, 2001 was issued by the RoC.

Changes in our Registered Office

The following table sets forth details of the change in the registered office of our Company since the date of its incorporation:

Date of change	Details of the address of registered office	Reason
December 30, 1988	Change in registered office from 2-A Sanjiv Baug, near Vimal Apartments, behind Sanjivani Hospital, Paldi Ahmedabad to Trasad Road, Dholka, Ahmedabad District .	For administrative convenience

Main Objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. "*To carry on business as manufacturers, producers and refiners of drugs, medicines, toilet articles, cosmetics, baby food and pharmaceutical antibiotic and biological products, animal feed supplements, surgical instruments and dressings;*

2. *To carry on business as importers and exporters and dealers in wholesale and retail and distributors of drugs, medicines, cosmetics, baby food, pharmaceutical and antibiotic and similar or allied products,*

3. *To manufacture, prepare for market, refine, clean, restore, recondition and otherwise manipulate and deal in and turn to account all refuse by-products capable of being manufactured or produced with the use of all or any materials or commodities used in the manufacture of all or any of the products for which the Company is established and waste and Other materials of any kind, and to recondition the same or make such other use of the same as may be thought fit."*

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried on and proposed to be carried on by our Company.

Amendments to our Memorandum of Association

The following table set forth details of the amendments to our Memorandum of Association, in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of Shareholders' resolution/Effective date	Details of the amendments
August 14, 2013	Clause V of the Memorandum of Association of our Company was amended to reflect the increase in authorised equity share capital from ₹ 60,000,000 divided into 6,000,000 equity shares of face value of ₹ 10 each to ₹ 100,000,000 divided into 10,000,000 equity shares of face value of ₹ 10 each.

Date of Shareholders' resolution/Effective date	Details of the amendments
July 8, 2022	• Clause V of the Memorandum of Association of our Company was amended to reflect sub-division of equity shares of face value of ₹ 10 each to equity shares of face value of ₹ 1 each • Clause V of the Memorandum of Association of our Company was amended to reflect increase in authorised Equity Share capital of our Company from ₹ 100,000,000 divided into 100,000,000 equity shares of face value of ₹ 1 each to ₹ 110,000,000 divided into 110,000,000 equity shares of face value of ₹ 1 each • The existing Part C of Clause III under "other objects" of the Memorandum of Association was deleted.

Major Events and Milestones in the History of our Company

The table below sets forth the key events and milestones in the history of our Company:

Calendar Year	Particulars
2000	Acquisition of our Company by Mr. Sudhir Vaid, one of our Promoters.
2001	Renaming of our Company to Concord Biotech Limited.
2002	Expansion of production capacity of enzymes.
2003	Certification of our facility at Dholka for commissioning and commencement of production of various enzymes by technical consultants.
2004	Investment by Rakesh Jhunjhunwala and Rekha Jhunjhunwala in our Company.
2005	First USFDA inspection and classification of our API facility as acceptable.
2008	Second USFDA inspection and classification of our API facility as acceptable.
2010	Received drug master file registration certificate for tacrolimus hydrate from Pharmaceuticals and Medical Devices Agency, Japan.
2011	• First EU GMP inspection of our manufacturing facility by Government of Upper Bavaria-Central Medicines Control Bavaria (GMP/GCP). • Initiated CRAMs services in areas of new chemical entity ("**NCE**") or Generic APIs.
2012	Received original drug substance registration certificate for mycophenolate mofetil from Pharmaceuticals and Medical Devices Agency, Japan.
2013	Third USFDA inspection and classification of our API facility as acceptable.
2014	Received certificate of drug substance registry for Ciclosporin JP from Pharmaceuticals and Medical Devices Agency, Japan.
2015	• Fourth USFDA inspection of our Dholka facility and conclusion of inspection as 'closed'. • Second EU GMP inspection of our manufacturing facility. • Received accreditation certificate of foreign drug manufacturing for non-sterile drugs from Minister of Health, Labour and Welfare of Japan.
2016	• Established a facility at Valthera, Gujarat. • Recognition of our in-house R&D facility located at Valthera by Ministry of Science and Technology, Government of India. • Investment from Helix.
2017	First USFDA inspection at our Valthera facility and receipt of establishment inspection report.
2018	• Fifth USFDA inspection and received 'no action indicated' classification for our facility located at Dholka. • Grant of GMP certification from Food and Drugs Control Administration for Valthera and Dholka units Second USFDA inspection at our facility located in Valthera facility and receipt of establishment inspection report. • Established Joint Venture in Japan pursuant to growing business opportunities in Japan.
2019	• Received two ANDA approvals. • Expansion of our company's business in critical care segment in India. • Commencement of marketing of Mycophenolate Mofetil Capsules USP 250 mg.
2020	• Board of the Company permitted the layout plan for the proposed injectable manufacturing unit at Valthera facility. • Received two ANDA approvals. • First shipment of Mycophenolate Sodium Tablets, in US market.
2021	• Commenced operations at second API facility at Limbasi. • Third EU GMP inspection of our manufacturing facility located in Dholka.

Key awards, accreditations and recognition

Our Company has not received any award or accreditation as on the date of this Draft Red Herring Prospectus.

Corporate Profile of our Company

For details in relation to our corporate profile including details of our business, profile, activities, services, market, growth, competition, technology, and managerial competence, see "*Risk Factors*", "*Our Business*", "*Our Management*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and on pages 27, 131, 165 and 246, respectively.

Time and cost overrun

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling/restructuring of borrowings

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions/ banks in respect of our Company's borrowings.

Significant financial and strategic partners

Our Company does not have any significant financial or strategic partners as on the date of this Draft Red Herring Prospectus.

Capacity/facility creation, location of plants

For details regarding capacity/facility creation and location of outlets of our Company, see "*Our Business - Production Capacity, Actual Production Volume and Capacity Utilization*" on page 144.

Launch of key products or services, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, see "*Our Business*" and " *– Major Events and Milestones in the History of our Company*" on pages 131 and 160, respectively.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Our Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries and Joint Ventures

As on the date of this Draft Red Herring Prospectus, our Company does not have any subsidiaries. Further, as on the date of this Draft Red Herring Prospectus, our Company has one joint venture. The details of our Joint Venture have been provided below.

1. Concord Biotech Japan K.K. ("CBJKK")

Corporate Information

CBJKK was established on July 20, 2018. Its head office is situated at 4-14, Kanda-Iwamotocho, Chiyoda-ku, Tokyo 101-0033, Japan.

Nature of Business

The purpose of business for CBJKK is to import, export and sales of medical drug and its raw materials as authorised under its constitutional documents.

Capital Structure

The authorised and issued and paid-up share capital of CBJKK is JPY 20,000,000 divided into 400 shares of JPY 50,000 each.

Shareholding

Our Company holds 200 shares in CBJKK which represents 50% of the share capital of CBJKK.

The shareholding pattern as on the date of this Draft Red Herring Prospectus is set out below:

Name of the shareholder	No. of shares of par value of JPY 50,000 each	% of total issued and subscribed capital (on a fully diluted basis)
Our Company	200	50.00
Atsushi SATO	200	50.00
Total	**400**	**100.00**

Accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of CBJKK that have not been accounted for by our Company.

Shareholders' agreements and other agreements

A. Key terms of the shareholders' agreements

(1) Investment agreement dated January 16, 2016 entered into among our Company, our Promoters and Manju Vaid, Megha Vaid, Sudman Consultants LLP (collectively, "Promoter Group Shareholders"), Rakesh Jhunjhunwala and Rekha Jhunjhunwala (collectively, "RARE"), 1575773 Ontario INC ("Ontario"), Ms. Prembala Singh, Helix Investment Holdings Pte. Limited ("Helix") and the other Shareholders mentioned therein (the "Investment Agreement" and the parties to the agreement, "Parties").

The Investment Agreement was executed among the Parties set out above pursuant to which Helix agreed to subscribe to 305,372 equity shares of face value of ₹ 10 each of our Company and purchase 1,596,960 equity shares from the then existing shareholders of our Company and to record terms and conditions for such subscription and purchase of equity shares and the rights and obligations of our Company, Promoter Group Shareholders and the other Shareholders in relation to management, governance and functioning of our Company. In terms of the Investment Agreement, the Parties have certain rights and obligations which, *inter alia*, include:

Board composition: In terms of the Investment Agreement, subject to the minimum of eight directors and maximum of twelve directors on the Board. Promoter Group Shareholders, RARE and Helix have a right to nominate directors on the Board in proportion to the Equity Shares held by them. Accordingly, pursuant to the Investment Agreement, the Promoter Group Shareholders shall have nominated three directors, Helix shall have nominated one director and RARE shall have nominated two directors on the Board. In addition to the above, our Company shall have appointed two independent directors. Further, Helix is also entitled to appoint one non-voting observer on the Board who may participate in all the meetings of the Board and its committees and receive all notices, communications, resolutions and minutes in respect of any meeting of the Board or its committees.

The Promoter Group Shareholders are also entitled to or nominate any person to act as the chairman and managing director of the Board. In the event of any change is proposed to the position of the Chairman and Managing Director other than the person nominated by our Promoters, such change is required to be undertaken in consultation with Helix.

Reserved matters and affirmative vote: In relation to certain matters as specified in the Investment Agreement, our Company shall not take any action unless a prior written approval is obtained from Helix, RARE and our Promoters. Such matters include amendment to constitutional documents of our Company, restructuring including merger, demerger, reorganisation etc., change in name or business of our Company other than current business of our Company, disposal of material assets of our Company.

Restriction on transfer of equity shares and lock-in: Except in the manner as specified in the Investment Agreement, the Shareholders of our Company cannot transfer their shareholding in our Company. Pursuant to the Investment Agreement, the Promoter Group Shareholders can only transfer their shareholding with a prior approval of Helix except for certain conditions specified therein. Further, the Investment Agreement provides for, *inter alia*, a right of first offer to the Promoter Group Shareholders and the other Shareholders vis-à-vis each other.

In addition to the above, the Investment Agreement also provides for certain rights of Helix, RARE and Ontario to receive information and documents from our Company, exit rights pursuant to an initial public offering, sale of securities to a third party and/or buyback of securities. Further, the Investment Agreement also includes certain standard stipulations such as confidentiality and dispute resolution. The Investment Agreement has been amended pursuant to the Amendment and Termination Agreement, as set out below.

(2) Amendment and Termination Agreement

In view of the initial public offer of the Equity Shares of our Company, the Parties to the Investment Agreement which continued to be such, have entered into the Amendment and Termination Agreement, pursuant to which the Parties, to the extent applicable, have waived and/or suspended certain of their respective rights, obligations and restrictions that may be triggered under the Investment Agreement as a result of our Company undertaking the Offer, which , *inter alia*, include (a) right to nominate directors on our Board and our board committees, to the extent applicable; (b) rights in relation to scheduling of board and committee meetings; (c) right in relation to taking prior consent from the relevant Parties, for scheduling general meetings at shorter notice; (d) rights in relation to reserved matters, transfer of securities, and exit rights and; (e) rights of Helix, RARE and Ontario pertaining to certain information of our Company (effective from the date of the Red Herring Prospectus to be filed by our Company).

Under the Amendment and Termination Agreement, subject to approval of our Shareholders, by way of a special resolution, in the first general meeting after listing of the Equity Shares on the Stock Exchanges pursuant to the Offer ("**Listing Date**"), our Promoters and the RARE Trusts (acting through its trustees) shall have a right to nominate directors to the Board of the Company in the proportion set out below:

Promoters' right to nominate Directors

a. For so long as (a) the Promoters (along with the Promoter Group) hold at least 25% of the share capital of the Company on a Fully Diluted Basis, and (b) one or more of the existing Promoters of the Company continue to be the promoters of the Company, the Promoters shall have the right to nominate 3 (three) Directors; or

b. For so long as the Promoters (along with the Promoter Group) hold at least 15% of the share capital of the Company on a Fully Diluted Basis, the Promoters shall have the right to nominate 2 (two) Directors; or

c. For so long as Sudhir Vaid and Ankur Vaid, individually or together, (along with their Affiliates) hold at least 5% of the share capital of the Company on a Fully Diluted Basis, they shall have the right to nominate 1 (One) Director.

The right to nominate Directors under (b) and (c) above shall be available to Sudhir Vaid and/or Ankur Vaid, whether or not they continue to be the Promoters of the Company.

For the purposes of nomination of directors by Sudhir Vaid and Ankur Vaid under (a), (b) and (c) above, their directorships on the Board of the Company shall also be considered.

RARE Trusts' right to nominate Directors

For so long as RARE Trusts, collectively hold at least 5% of the share capital of our Company on a fully diluted basis, RARE Trusts (through its trustees) shall have the right to nominate 1 Director.

In relation to the rights of the Promoters and the RARE Trusts above, once the respective shareholding of the nominating Shareholder falls below the relevant shareholding thresholds, the nomination of such number of directors shall be withdrawn by the nominating Shareholder, as the case maybe, to meet the requirement of the prevailing shareholding thresholds. For the avoidance of doubt, it is clarified that the Promoters and the RARE Trusts shall cease to have the right to nominate their respective nominee directors, once their respective shareholding falls below the respective shareholding thresholds. notwithstanding that their shareholding subsequently increases to or beyond the shareholding thresholds.

The aforesaid rights of our Promoters and RARE Trusts to nominate Directors on our Board, form part of our Articles of Association, which shall survive the termination of the Investment Agreement, as amended.

The Investment Agreement, as amended by the Amendment and Termination Agreement, shall automatically stand terminated and cease to have any force and effect from the date of receipt of final listing and trading approvals by our Company from the Stock Exchanges pursuant to the Offer, without any further act or deed required on the part of the Parties to the Investment Agreement, subject to the survival of certain provisions such as definitions and interpretations, director nomination rights (as specified above), notices, governing law and dispute resolution.

Further, the Amendment and Termination Agreement shall stand terminated upon the earlier of (a) withdrawal of this DRHP by our Company; or (b) termination of the Offer Agreement; or (c) failure of our Company to complete the listing of the Equity Shares pursuant to the Offer on or before 12 months from the date of receipt of final observations from the SEBI; (d) March 31, 2023; or (e) such other date as mutually agreed between the Parties in writing. In the event of termination of the Amendment and Termination Agreement, the provisions of the Investment Agreement, shall, immediately and automatically, stand re-instated and shall be deemed to have been continuing from the date of execution of the Amendment and Termination Agreement.

None of the special rights available to the Promoters / Shareholders (except for right to nominate Director on the Board) would survive after listing of the Equity Shares pursuant to the Offer and except for such right to nominate Director on the Board, all special rights available to the Promoters / Shareholders shall fall away without requiring any further action.

B. Key terms of the other material agreements

Our Company has not entered into any material agreement with strategic partners, joint venture partners or financial partners, to the extent applicable, other than in the ordinary course of business.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

Our Promoters are neither participating in the Offer for Sale nor have they given any guarantee to a third party.

Agreements with Key Managerial Personnel, Director, Promoters, or any other employee

Except for the Investment Agreement entered into among the Parties to the Investment Agreement, our Key Managerial Personnel, Director, Promoters, or any other employee have not entered into any agreement with the any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

OUR MANAGEMENT

In terms of the Articles of Association, the minimum number of Directors that our Company can have shall not be less than eight and the maximum number of directors shall not be more than twelve. As on the date of this Draft Red Herring Prospectus, our Board comprises of two Executive Directors, four Non-Executive Directors (excluding Independent Directors) and six Independent Directors. One of our Independent Directors is a woman Director.

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation	Other Directorships
1.	**Sudhir Vaid** **Designation:** Chairman and Managing Director **Term:** With effect from April 1, 2019 for a period of five years **Period of Directorship:** Director since May 10, 2000 **Address:** 99, Basant Bahar-I, opposite Sterling City, Bopal, Daskroi, Ahmedabad - 380058, Gujarat **Occupation:** Business **Date of Birth:** September 3, 1952 **DIN:** 00055967 **Age:** 69 years	Nil
2.	**Ankur Vaid** **Designation:** Joint Managing Director and Chief Executive Officer **Term:** With effect from June 1, 2021, for a period of three years **Period of Directorship:** Director since December 4, 2009 **Address:** 99, Basant Bahar-I, opposite Sterling City, Bopal, Daskroi, Ahmedabad - 380058, Gujarat **Occupation:** Business **Date of Birth:** April 14, 1982 **DIN:** 01857225 **Age:** 40 years	Nil
3.	**Ravi Kapoor** **Designation:** Non-Executive Director **Term:** Liable to retire by rotation **Period of Directorship:** Director since December 15, 2003 **Address:** 202, Pravesh Apartment, 10 Mahadevnagar Society, Sardar Patel Stadium Road, Ahmedabad City, Navjivan, Ahmedabad – 380014, Gujarat **Occupation:** Company secretary in practice **Date of Birth:** July 25, 1963 **DIN:** 00003847	• Adani Green Energy (UP) Limited • Coroney Technologies Private Limited • Gujarat Road and Infrastructure Company Limited • Kodangal Solar Parks Private Limited • Marine Infrastructure Developer Private Limited • Sadbhav Hybrid Annuity Projects Limited • Spinel Energy & Infrastructure Limited • Surajkiran Renewable Resources Private Limited • Wardha Solar (Maharashtra) Private Limited

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation	Other Directorships
	Age: 59 years	
4.	**Rajiv Ambrish Agarwal**[(1)] **Designation:** Non-Executive Nominee Director **Term:** Liable to retire by rotation **Period of Directorship:** Director since June 30, 2008 **Address:** 3rd Floor, Chamaria Niwas, 41 Mahant Road, Near Ruia High School, Vile Parle East, Mumbai - 400057, Maharashtra **Occupation:** Business **Date of Birth:** March 28, 1971 ***DIN:*** 00379990 **Age:** 51 years	• Alchemy Capital Management Private Limited • Aptech Limited • Cinestaan Entertainment Private Limited • Equirus Capital Private Limited • Fullife Healthcare Private Limited • Hungama Digital Media Entertainment Private Limited • Nazara Technologies Limited
5.	**Utpal Sheth**[(1)] **Designation:** Non-Executive Nominee Director **Term:** Liable to retire by rotation **Period of Directorship:** Director since December 4, 2009 **Address:** B 2901, Beaumonde, Appa Saheb Marathe Marg, Near Chaitanya Tower, Prabhadevi, Mumbai- 400025, Maharashtra **Occupation:** Business **Date of Birth:** June 20, 1971 ***DIN:*** 00081012 **Age:** 51 years	• Aptech Limited • Chanakya Wealth Creation Private Limited (OPC) • Hiranandani Financial Services Private Limited • HRS Insight Financial Intermediaries Private Limited • Insight Asset Management (India) Private Limited • Inventurus Knowledge Solutions Private Limited • Kabra Extrusion Technik Limited • Metro Brands Limited • NCC Limited • Star Health and Allied Insurance Company Limited • Trust Asset Management Private Limited • Trust Capital Holdings Private Limited • TrustPlutus Family Office and Investment Advisers (India) Private Limited • TrustPlutus Wealth (India) Private Limited • Zenex Animal Health India Private Limited
6.	**Amit Varma**[(2)] **Designation:** Non-Executive Nominee Director **Term:** Liable to retire by rotation **Period of Directorship:** Director since July 5, 2016 **Address:** KCLH 400 DLF, Kings Court, W block, GK 2, Alaknanda Road, Greater Kailash, South Delhi, Delhi- 110048 **Occupation:** Healthcare Professional **Date of Birth:** September 15, 1968 ***DIN:*** 02241746 **Age:** 53 years	• Akums Drugs and Pharmaceuticals Limited • Asian Institute of Gastroenterology private Limited • Asian Institute of Nephrology and Urology Private Limited • Encube Ethicals Private Limited • Healthquad Advisors Private Limited. • Healthquad Capital Advisors Private Limited • IBOF Investment Management Private limited • Nobel Hygiene Private Limited • Phasorz Technologies Private Limited • Quadria Capital Advisors Private Limited • Vimakr Foundation
7.	**Bharti Khanna** **Designation:** Independent Director	Amarant Lifesciences Private Limited

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation	Other Directorships
	Term: With effect from January 31, 2022, for a period of five years **Period of Directorship:** Director since January 31, 2017 **Address:** E-256, Sarita Vihar, South Delhi, Delhi - 110076 **Occupation:** Salaried Professional **Date of Birth:** June 9, 1968 **DIN:** 05147844 **Age:** 54 years	
8.	**Anil Katyal** **Designation:** Independent Director **Term:** With effect from October 23, 2019, for a period of 5 years **Period of Directorship:** Director since October 23, 2019 **Address:** W-153, Greater Kailash 1, South Delhi, Delhi-110048 **Occupation:** Business **Date of Birth:** May 20, 1955 **DIN:** 06828200 **Age:** 67 years	Nil
9.	**Amitabh Thakore** **Designation:** Independent Director **Term:** With effect from January 31, 2022, for a period of five years **Period of Directorship:** Director since January 31, 2017 **Address:** B/301, Shiromani Flats, Satellite Road, Near Nehrunagar Circle, Satellite, Ambawadi Vistar, Ahmedabad, - 380015, Gujarat **Occupation:** Business – Consulting **Date of Birth:** December 23, 1944 **DIN:** 00016715 **Age**: 77 years	• Axel Polymers Limited • Biomix Network Limited
10.	**Arvind Agarwal** **Designation:** Independent Director **Term:** With effect from May 24, 2022, for a period of five years **Period of Directorship:** Director since May 24, 2022 **Address:** 16/302, Satyagrah Society Satellite Road, VTC, Ahmedabad city, Ahmedabad, Gujarat **Occupation:** Business	• Gujarat Small Industries Corporation Limited (Under liquidation) • KLJ Platicizers Limited • Sanghi Industries Limited

S. No.	Name, DIN, designation, date of birth, current term, period of directorship, address, occupation	Other Directorships
	Date of Birth: April 23, 1960 **DIN:** 00122921 **Age:** 62 years	
11.	**Jayaram Easwaran** **Designation:** Independent Director **Term:** With effect from June 14, 2022, for a period of five years **Period of Directorship:** Director since June 14, 2022 **Address:** Tower B1, Flat No.1101, Parasnath Exotica, Golf Course Road, Near Ibis Hotel, Sector 53, Gurgaon, Haryana **Occupation:** Business **Date of Birth:** December 23, 1952 **DIN:** 02241192 **Age:** 69 years	• Jindal Stainless Limited • Jindal Stainless (Hisar) Limited
12.	**Mandayam Chakravarthy Sriraman** **Designation:** Independent Director **Term:** With effect from June 14, 2022, for a period of five years **Period of Directorship:** Director since June 14, 2022 **Address:** B-4, C S Patel Enclave, near post office, Pratapgunj, Vadodara, Fateganj, Gujarat **Occupation:** Business **Date of Birth:** July 1, 1946 **DIN:** 09631555 **Age:** 76 years	Nil

(1) Nominees of RARE.
(2)Nominee of Helix.

Brief Biographies of Directors

Sudhir Vaid is one of the Promoters of our Company and the Chairman and Managing director of our Company. He has passed the examination for the bachelor in science degree from Punjab University and holds a master of science degree from Punjab Agricultural University. Previously, he was associated with Ranbaxy Laboratories Limited, Lupin Chemicals Limited and as a part of M/s. Sudman Consultants acted as a consultant for companies such as Plus Chemicals S.A., Lek Pharmaceuticals & Chemicals Co. and Biocon India Limited.

Ankur Vaid is one of the Promoters of our Company and the Joint Managing Director and the Chief Executive Officer of our company. He holds a degree of bachelor of technology in chemical engineering from Rashtrasant Tukadoji Maharaj Nagpur University and a degree of masters in business administration from Rochester Institute of Technology. He has been associated with our Company since 2009 and has more than 15 years of experience in the pharmaceutical industry. He has been involved in the development of the research and development division of our Company and contributed to the market strategy of our Company.

Ravi Kapoor is a Non-Executive Director of our Company. He holds a degree of bachelor's in commerce from N.G. Vanijya Mahavidyalaya, Gujarat University and a degree of bachelor's in laws from L.A. Shah Law College, Gujarat University. He also holds a degree of master of commerce from the Gujarat University and a post graduate diploma in Intellectual Property Rights Law From National Law School of India University, Bangalore. He is a

member of the Institute of Company Secretaries of India and is entitled to practice as a company secretary. Further, he is also a member of the Indian Institute of Bankers and associate member of All India Management Association. Previously, he was associated with John Energy Limited as an independent director and is currently on the boards of companies such as Adani Green Energy (UP) Limited and Gujarat Road and Infrastructure Company Limited. He has been a Non-Executive Director on our board since December 15, 2003.

Rajiv Ambrish Agarwal is a Non-Executive Nominee Director of our Company. He holds a degree of bachelor of technology in chemical engineering from Banaras Hindu University. He has been associated with Rare Enterprises since 2006. His focus is on growing Rare Enterprises' strategic investments in diverse sectors. He has experience in B2B and B2C businesses spanning consumer, education, digital entertainment, media, financial services, payments, auto components, and oil drilling which form a part of Rare Enterprises' private equity portfolio. He is currently a nominee director on the board of directors of companies including Nazara Technologies Limited, Aptech Limited and Equirius Capital Private Limited. He has been a Non-Executive Director on our Board since June 30, 2008.

Utpal Sheth is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, the University of Bombay. He has also been awarded a certificate of merit by the Institute of Chartered Financial Analysts of India, Hyderabad and has cleared the examination of the Institute of Cost and Works Accountants. He has been working with Rare Enterprises since 2003 and is currently the chief executive officer of Rare Enterprises, a proprietary asset management firm, and is responsible for investment and risk management. He has been a Non-Executive Director on our Board since December 12, 2009.

Amit Varma is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in medicine and surgery from the University of Delhi. He was also a Resident in Pediatrics at State University of New York. Previously, he has been associated with Narayana Institute of Cardiac Sciences, Bangalore as a Director of Critical Care Medicine. He has also been associated with Fortis Healthcare Limited as a Director – Medical Services and as a Director – Medical Operations and Critical Care Management. He has also in the past been part of Religare Capital Markets Limited. He is currently associated with Quadria Capital Investment Management Pte. Limited as a co-founder and managing partner. He has been a Non-Executive Director on our board since July 5, 2016.

Bharti Khanna is an Independent Director of our Company. She holds a degree of bachelor of pharmacy and master of pharmacy from the University of Delhi. She is currently a director on the board of directors of Amarant Lifesciences Private Limited. She has been an Independent Director on our Board since January 31, 2017.

Anil Katyal is an Independent Director of our Company. He holds a bachelor's degree in science (honours), a master's degree in science from the University of Delhi and a post graduate diploma in business management from the New Delhi YMCA Institute of Management Studies. He has been a Director with our Company since October 13, 2019 and has an experience of more than two years with our Company. He has been a Director on our board since October 23, 2019.

Amitabh Thakore is an Independent Director of our Company. He holds a degree of bachelor in engineering in mechanical engineering from Maharaja Sayajirao University of Baroda, a master's degree of science in industrial engineering from Lehigh University and a post graduate diploma in business administration from the Indian Institute of Management, Ahmedabad. Previously, he has been associated with Torrent Gujarat Biotech Limited as a Managing Director and the Chief Executive Officer; with the Ahmedabad Electricity Company Limited as an Executive Director (Commercial) and as a Vice President (Projects) with the Torrent Group. He was also associated with L&T Limited, Tata Economic Consultancy Services and the National Development Corporation of Tanzania. He has been an Independent Director on our board since January 31, 2017.

Arvind Agarwal is an Independent Director of our Company. He holds a bachelor's degree in commerce from the University of Bombay. He has served as an article clerk with the Price Waterhouse & Co. for three years from 1980 and has passed intermediate examination held by the Institute of Chartered Accountants of India. He is a retired IAS officer of Gujarat cadre, with over 35 years of experience in the Indian Administrative Service. During this period, he served in the departments of finance, industries, education and environment with the Government of Gujarat and acted as the additional chief secretary with the industries and mines department and the environment and forests department. He has been a Director on our board since May 24, 2022.

Jayaram Easwaran is an Independent Director of our Company. He holds a post graduate diploma in management from the Indian Institute of Management, Bangalore. He is currently a director on the board of

directors of Jindal Stainless Limited and Jindal Stainless (Hisar) Limited. He has been a Director on our board since June 14, 2022.

Mandayam Chakravarthy Sriraman is an Independent Director of our Company. He holds a bachelor's degree in science from the Fergusson College and a master's degree in science specialising in organic chemistry from the University of Poona. He also holds a doctor of philosophy in chemistry from the University of Poona and a post graduate diploma in patents law from the National Academy of Legal Studies and Research University. He has also participated in a training course for validation during API development and manufacturing conducted by the Pharmaffiliates Asia Research Foundation. He was commemorated by the American Chemical Society at its 125th anniversary as a member in good standing in the year 2001 and was awarded the man of the year in science in the year 2009 for outstanding contributions to science as recognised by the American Biographical Institute. He was also awarded by the management of Camphor and Allied Products Limited for completion of his project at the Malti-Chem Research Centre. Previously, he has been associated with Amoli Organics Private Limited as the Head of research and development, with Tonira Pharma Limited as a senior director (technical)and with Sun Pharmaceuticals Industries as a Vice President of research and development. He has been a Director on our board since June 14, 2022.

Relationship between our Directors

Except for Ankur Vaid who is a son of Sudhir Vaid, none of our Directors are related to each other.

Confirmations

None of our Directors is or was a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on any stock exchange during the term of their directorship in such company. Further, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Except for Amit Varma, Rajiv Ambrish Agarwal and Utpal Sheth, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our other Directors were appointed on the Board.

Further, our Directors have neither been identified as Wilful Defaulters nor been identified as Fraudulent Borrowers, as defined under the SEBI ICDR Regulations.

Terms of Appointment of our Executive Directors

Sudhir Vaid

Pursuant to the resolution passed by the Board on July 5, 2019 and the Shareholders on August 5, 2019, Sudhir Vaid was re-appointed as the Chairman and Managing Director of our Company and the tenure of his appointment was renewed to a period of five years beginning from April 1, 2019. Further, in accordance with the sections 196, 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the terms of remuneration of Sudhir Vaid was revised as specified below.

Remuneration	
Particulars	**Amount (in ₹ per month)**
Basic salary:	1,500,000
House rent allowance	600,000
Education Allowance	120,000
Conveyance	480,000
Special Allowance	1,300,000
Total	**4,000,000**
Perquisites	
Contribution to the provident fund and superannuation fund, or annuity fund as per the rules of the Company.	
Gratuity payable in accordance with the Companies Act.	

Ankur Vaid

Pursuant to the resolution passed by the Board on June 2, 2021, Ankur Vaid was re-appointed as Joint Managing Director and Chief Executive Officer of our Company. Further, the Shareholders at the AGM held on September 13, 2021 and the tenure of his appointment was renewed to a period of three years beginning from June 1, 2021. Further, in accordance with the sections 196, 197 and 203 read with Schedule V of the Companies Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the terms of remuneration of Ankur Vaid was revised as specified below.

Remuneration	
Particulars	**Amount (in ₹ per month)**
Basic salary:	875,000
House rent allowance	350,000
Allowances:	1,075,000
Total	**2,300,000**
Other benefits include	
Contribution to the provident fund, superannuation fund or annuity fund as per the rules of the Company. Leave travel allowance of one month basic salary per annum.	
Gratuity payable in accordance with the Companies Act.	

Payment or benefit to Directors of our Company

Details of the sitting fees or other remuneration paid to our Directors in Financial Year 2022 are set forth below.

i. Remuneration to our Executive Directors

Details of the remuneration paid to our Executive Directors in the Financial Year 2022 are set forth below:

S. No.	Name of Executive Director	Remuneration (in ₹ million)
1.	Sudhir Vaid	40.13
2.	Ankur Vaid	16.13

ii. Remuneration to our Non-Executive Directors

Pursuant to the resolution passed by our Board on January 31, 2017 each Independent Director is entitled to receive remuneration by way of fees for attending meetings of the Board, within the limits prescribed under the Companies Act, and the rules made thereunder.

The details of remuneration paid to our Non-Executive Directors, including our Independent Directors during Financial Year 2022 are as follows:

S. No.	Name of Director	Sitting Fees (in ₹ million)	Total Remuneration (in ₹ million)
1.	Ravi Kapoor	0.08	0.08
2.	Rajiv Ambrish Agarwal	0.08	0.08
3.	Utpal Sheth	0.08	0.08
4.	Bharti Khanna	0.06	0.06
5.	Anil Katyal	0.02	0.02
6.	Amitabh Thakore	0.08	0.08

Arvind Agarwal, Jayaram Easwaran and Mandayam Chakravarthy Sriraman who are our Independent Directors were appointed in the Financial Year 2023. Accordingly, no remuneration was paid to them in the Financial Year 2022.

There is no contingent or deferred compensation payable to any of our Directors which accrued in Fiscal 2022.

Remuneration paid to our Directors by our Joint Venture

As on the date of this Draft Red Herring Prospectus, none of our Directors are entitled to remuneration from our Joint Venture. None of our Directors received any remuneration from our Joint Venture in Fiscal 2022. Further,

there is no contingent or deferred compensation payable to any of our Directors by our Joint Venture which accrued in Fiscal 2022.

Bonus or profit-sharing plan of the Directors

Our Company does not have any bonus or profit-sharing plan for our Directors. For details of the performance bonus payable to them as a part of their respective remuneration, see "*Our Management - Terms of appointment of our Executive Directors*" on page 170.

Shareholding of Directors in our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares, except as disclosed below:

Name of the Director	Number of Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
Sudhir Vaid	30,169,524	28.84
Ankur Vaid	586,520	0.56
Ravi Kapoor	220,000	0.21
Rajiv Ambrish Agarwal	130,482	0.12

Our Articles of Association do not require our Directors to hold any qualification shares.

Interests of Directors

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them by our Company as well as sitting fees, if any, payable to them for attending meetings of our Board or Committees thereof. For further details, see " – *Terms of Appointment of our Executive Directors*" and " – *Payment or benefit to Directors of our Company*", on pages 170 and 171, respectively.

Our Directors may also be interested to the extent of Equity Shares, if any (together with dividends in respect of such Equity Shares), held by them. For details, see " – *Shareholding of Directors in our Company*" on page 172. Further, Amit Varma, Utpal Sheth and Rajiv Ambrish Agarwal, who are nominee directors of Helix and RARE respectively, may be interested in our Company to the extent of Equity Shares held by Helix and RARE. Our Directors namely, Ankur Vaid and Sudhir Vaid, are also partners in Sudman Consultants LLP which holds 4,752,000 Equity Shares in our Company.

Further, relatives of certain of our Directors are also shareholders and / or employees of our Company and may be deemed to be interested to the extent of the payment of remuneration made by our Company and dividends declared on the Equity Shares held by them, if any. For the payments that are made by our Company to such relatives of the Directors, see "*Restated Consolidated Financial Information –Note 39: Related Party Disclosures*" on page 234.

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which any of our Directors are interested, by any person, either to induce him to become, or to qualify him as, as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Except for the following, none of our Directors have any interest in any property acquired or proposed to be acquired of our Company.

Our Company has entered into a lease agreement for our corporate office dated July 14, 2020 for a period of three years commencing from April 1, 2020 with Sudhir Vaid, our Chairman and Managing Director and Manju Vaid, wife of our Chairman and Managing Director, pursuant to which our Company has agreed to a pay a lease rent of ₹ 14.03 million for the Financial Year 2021, ₹ 15.01 million for Financial Year 2022 and ₹ 16.06 million Financial Year 2023.

Amit Varma, Nominee Director of Helix and Utpal Sheth and Rajiv Ambrish Agarwal, Nominee Directors of RARE may be deemed to be interested to the extent of the shareholding of Helix and RARE in our Company.

Other than the interests specified above, Ravi Kapoor, our Non-Executive Director, is interested in our Company to the extent of professional services provided by his firm Ravi Kapoor & Associates. For details on the relationship and the fees payable thereof, see "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234.

Except Sudhir Vaid and Ankur Vaid, who are the Promoters of our Company, none of our Directors have any interests in the promotion or formation of our Company.

Changes in our Board in the last three years

Details of the changes in our Board in the last three years are set forth below.

Name	Date of Change	Reason for change in board
Anil Katyal	October 23, 2019	Appointed as an Independent Director
Ankur Vaid	June 1, 2021	Re-appointed as Joint Managing Director and Chief Executive Officer
Bharti Khanna	January 31, 2022	Re-appointed as Independent Director
Amitabh Thakore	January 31, 2022	Re-appointed as Independent Director
Arvind Agarwal	May 24, 2022	Appointed as Independent Director
Rajeev Agarwal	May 30, 2022	Resignation as a director due to health issues
Jayaram Easwaran	June 14, 2022	Appointed as Independent Director
Mandayam Chakravarthy Sriram	June 14, 2022	Appointed as Independent Director

Borrowing Powers of Board

Our Board is empowered to borrow money in accordance with Section 179 and Section 180 of the Companies Act and our Articles of Association.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, the SEBI Listing Regulations, the Companies Act, 2013 and other applicable regulations of SEBI, in respect of corporate governance in respect of the constitution of the Board and Committees thereof, and formulation and adoption of policies. Our Board has been constituted in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

As on the date of this Draft Red Herring Prospectus, our Board comprises of two Executive Directors and four Independent Directors. In compliance with Section 152 of the Companies Act, 2013, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of SEBI Listing Regulations and the Companies Act, 2013.

Committees of the Board

Details of the Committees are set forth below. In addition to the Committees detailed below, our Board of Directors may, from time to time constitute Committees for various functions.

Audit Committee

The members of the Audit Committee are:

1. Amitabh Thakore, (Independent Director), Chairperson;
2. Amit Varma, (Non-Executive Nominee Director), Member; and
3. Arvind Agarwal, (Independent Director), Member;

The Audit Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 7, 2014 and reconstituted on June 7, 2022. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on June 7, 2022 are set forth below:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, re-appointment, replacement, remuneration and terms of appointment of statutory auditors of the Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the director's responsibility statement to be included in the board's report, in terms of the Companies Act, 2013, as amended;

    b) Changes, if any, in accounting policies and practices and reasons for the same;

    c) Major accounting entries involving estimates based on the exercise of judgment by management;

    d) Significant adjustments made in the financial statements arising out of audit findings;

    e) Compliance with listing and other legal requirements relating to financial statements;

    f) Disclosure of any related party transactions; and

    g) Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

6. Examination of the financial statement and auditor's report thereon;

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. Approval or any subsequent modification of transactions of the Company with related parties;

11. Scrutiny of inter-corporate loans and investments;

12. Valuation of undertakings or assets of the Company, wherever it is necessary;

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up thereon;

18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

19. Discussion with statutory auditors, internal auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. To review the functioning of the whistle blower mechanism;

22. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

23. Carrying out any other function as may be required / mandated by the Board from time to time and/ or mandated as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, each as amended, the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws;

24. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

25. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders; and

26. Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other applicable law.

The Audit Committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. management letters / letters of internal control weaknesses issued by the statutory auditors;

3. internal audit reports relating to internal control weaknesses;

4. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and

5. statement of deviations as and when becomes applicable:

    a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

    b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended."

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Amitabh Thakore, (Independent Director), Chairman;
2. Amit Varma, (Non-Executive Nominee Director), Member; and

3. Bharti Khanna, (Independent Director), Member.

The Nomination and Remuneration Committee was constituted pursuant to a resolution passed by our Board in its meeting held on July 7, 2014 and reconstituted on June 7, 2022. The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on June 7, 2022 are set forth below:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

   For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidate, the Committee may:

   a) Use the services of an external agencies, if required;

   b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) Consider the time commitment of the candidates.

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

   a) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. Devising a policy on diversity of Board;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of the Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance. The Company shall disclose the remuneration policy and the evaluation criteria in its board report;

5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Analysing, monitoring and reviewing various human resource and compensation matters;

7. Recommending to the Board, all remuneration, in whatever form, payable to senior management;

8. Administering, monitoring and formulating detailed terms and conditions of the employee stock option plans adopted by the Company;

9. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

10. Carrying out any other function as may be required/ mandated by the Board from time to time and/ or mandated as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013, the uniform listing agreements to be entered into between the Company and the respective stock exchanges on which the equity shares of the Company are proposed to be listed and/or any other applicable laws; and

11. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Rajiv Ambrish Agarwal, (Non-Executive Nominee Director), Chairman;
2. Jayaram Easwaran, (Independent Director) Member; and
3. Ravi Kapoor, (Non-Executive Director), Member.

The Stakeholders' Relationship Committee was constituted pursuant to resolution passed by our Board in its meeting held on July 29, 2022. The scope and functions of the Stakeholder Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on July 29, 2022 are set forth below:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

2. To review measures taken for effective exercise of voting rights by shareholders;

3. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company; and

5. Carrying out such other functions and/or prescribed by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Risk Management Committee

The members of the risk management committee are:

1. Ankur Vaid (Joint Managing Director and Chief Executive Officer), Chairman;
2. Ravi Kapoor (Non-Executive Director), Member; and
3. Amitabh Thakore (Independent Director), Member.

The Risk Management Committee was constituted pursuant to resolution passed by our Board in its meeting held on August 9, 2022. The scope and functions of the Risk Management Committee are in accordance with the SEBI Listing Regulations and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on August 9, 2022 are set forth below:

1. To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;

b. Measures for risk mitigation including systems and processes for internal control of identified risks; and

c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; and

6. The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee."

7. To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended or by any other regulatory authority.

Corporate Social Responsibility Committee

The members of the corporate social responsibility committee are:

1. Ankur Vaid, (Joint Managing Director and Chief Executive Officer), Chairman;
2. Arvind Agarwal, (Independent Director), Member; and
3. Mandayam Chakravarthy Sriraman (Independent Director), Member.

The corporate social responsibility committee was re-constituted by our Board pursuant to resolution passed by our Board in its meeting held on July 29, 2022. The scope and functions of the corporate social responsibility committee are in accordance with section 135 of the Companies Act, 2013 and its terms of reference as stipulated pursuant to resolution passed by our Board in its meeting held on July 7, 2014 are set forth below:

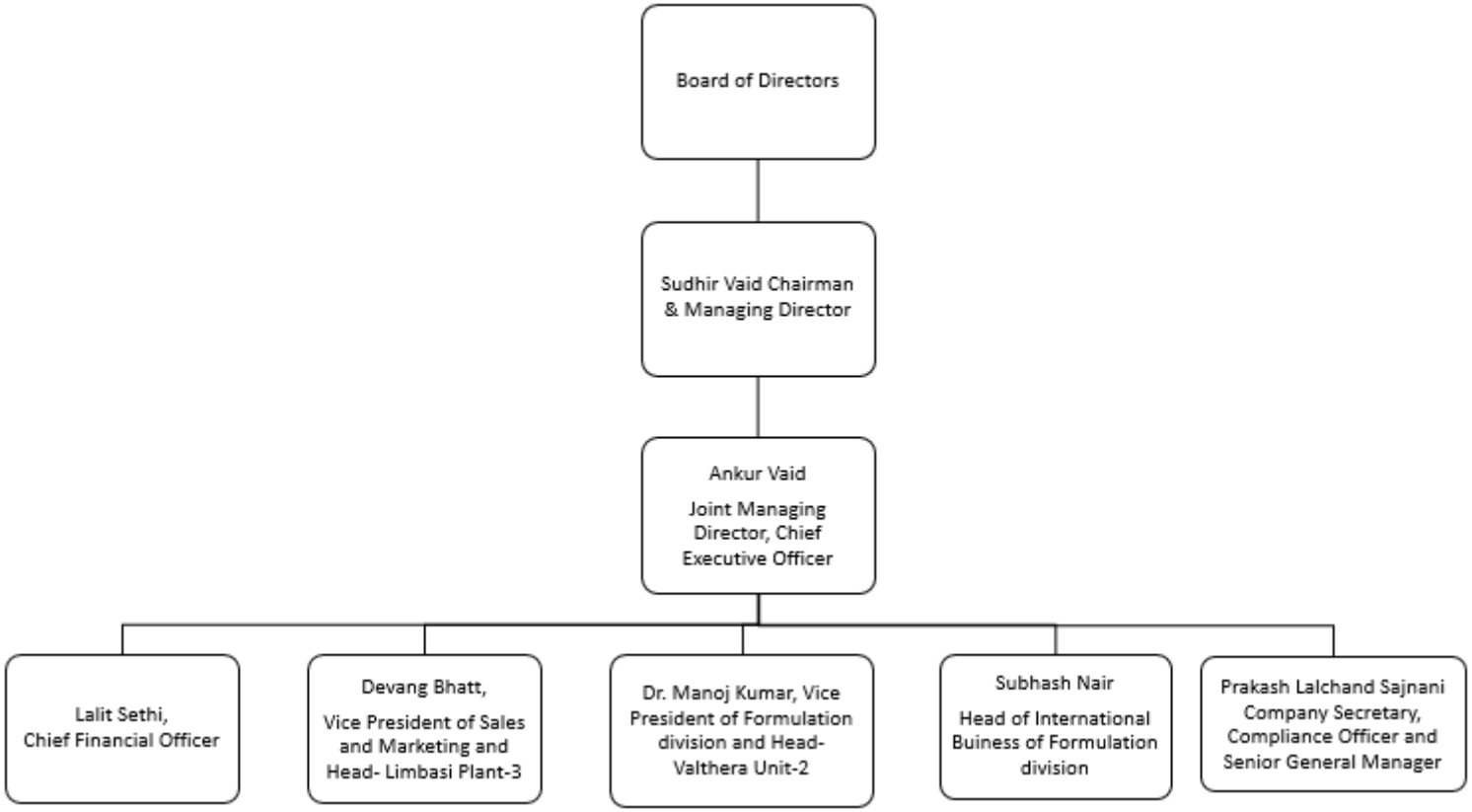
1. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

2. recommend the amount of expenditure to be incurred on the activities referred to in clause (i);

3. monitor the Corporate Social Responsibility Policy of the Company from time to time; and

4. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company

Management Organisation Structure



Key Managerial Personnel

The details of the Key Managerial Personnel, as on the date of this Draft Red Herring Prospectus are as follows:

Sudhir Vaid is the Chairman and Managing Director of our Company and **Ankur Vaid** is the Joint Managing Director and Chief Executive Officer of our Company. For details, see "– *Brief Biographies of Directors*" on page 168. For details of compensation paid to them during Financial Year 2022, see "– *Terms of appointment of Directors– Payment or benefit to Directors of our Company – Remuneration to Our Executive Directors*" on page 171.

Lalit Sethi is the Chief Finance Officer of our company. He joined our Company on March 14, 2022. He holds a degree of bachelor in commerce from Delhi University. He is a chartered accountant and was previously associated with companies such as Tilaknagar Industries Limited, High Polymer Labs Limited, Dabur India Limited, British Health Products (India) Limited, East India Hotels Limited and American Express Bank Limited. During Financial Year 2022, he received a remuneration of ₹ 0.26 million.

Prakash Sajnani is the Company secretary, compliance officer and Senior General Manager (Finance) of our Company. He has been associated with our Company since February 15, 2006. He holds a degree of bachelors in commerce from LJ Commerce College, Gujarat University and a master's degree in commerce from University School of Commerce, Gujarat University. He is also a member of Institute of Costs and Work Accountants and the Institute of Company Secretaries of India. He has been associated with our Company for more than 18 years as a General Manager looking after the functional areas of company secretarial, accounts finance and costing and other aspects pertaining to legal compliances. During Financial Year 2021-22, he received a remuneration of ₹ 3.60 million.

Devang Bhatt is a Vice-President of Sales and Marketing and is Head - Limbasi Plant-3 of our Company. He has been associated with our Company since February 10, 2005. He holds a degree of bachelors in science in chemistry from Sardar Patel University and a degree of master of business administration from the Saurashtra University. Previously, he was associated with Sysmed Laboratories Private Limited and with Claris Life Science Limited. During Financial Year 2022, he received a remuneration of ₹ 3.87 million.

Manoj Kumar is the Vice-President of Formulation division and Head - Valthera Unit-2 of our Company. He holds a degree of master of pharmacy in pharmaceutics and doctor of philosophy from Jamia Hamdard, Hamdard University. He has been associated with our Company since March 2, 2022 and was previously associated with Pharma International Company Russia-CIS and Farmex Company LLC. He was also invited to attend SMI's generics, super generics and patent strategies conference in 2012. During Financial Year 2022, he received a remuneration of ₹ 0.48 million.

Subhash Nair is head of International Business of Formulation division of the company. He joined our Company on April 10, 2017. He has completed his Bachelor of Science from Lucknow University in 1994. He has served for Emcure Pharmaceuticals Limited and SAVA Healthcare Limited before joining our Company. During Fiscal Year 2021-22, he was paid a gross remuneration of ₹ 5.01 million.

Confirmations

Except as disclosed in " – *Relationship between our Directors*", none of our Key Managerial Personnel are related to each other.

All our Key Managerial Personnel are permanent employees of our Company.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our other Key Managerial Personnel were selected as a key managerial personnel.

Interests of Key Managerial Personnel

Other than the (a) Executive Directors of our Company, who are the Promoters and Shareholders of our Company, and (b) Prakash Sajnani and Devang Bhatt who are interested in our Company to the extent of their shareholding, none of the Key Managerial Personnel of our Company have any interests in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

There is no contingent or deferred compensation accrued for the year payable to the Key Managerial Personnel, even if the compensation is payable at a later date.

Bonus or profit-sharing plans for our Key Managerial Personnel

Our Key Managerial Personnel are not parties to any bonus or profit-sharing plan of our Company.

Shareholding of Key Managerial Personnel in our Company

Except as disclosed in " – *Shareholding of Directors in our Company*" and the following, none of our Key Managerial Personnel hold any Equity Shares.

Name of the KMP	Equity Shares held	Percentage of the pre-Offer Equity Share capital (%)
Prakash Sajnani	22,000	0.02
Devang Bhatt	11,000	0.01

Changes in our Key Managerial Personnel in the three immediately preceding years

Details of the changes in our Key Managerial Personnel in the three immediately preceding years are set forth below.

Name	Date of change	Reason for change
Lalit Sethi	March 14, 2022	Appointed as a Chief Financial Officer
Manoj Kumar	March 2, 2022	Appointed as Vice-President of Formulation division and Head - Valthera Unit-2 of our Company

Payment or benefit to officers of our Company

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors, Key Managerial Personnel, is entitled to any benefits upon termination of employment under any service contract entered into with our Company.

Except as disclosed in " – *Interests of Directors*" on page 172 and stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no amount or benefits in kind has been paid or given, in the two years preceding the date of this Draft Red Herring Prospectus, or is intended to be paid or given to any of our Company's officers including the Key Managerial Personnel except remuneration for services rendered as Directors, officers or employees of our Company.

Employee stock option plan and employee stock purchase plan

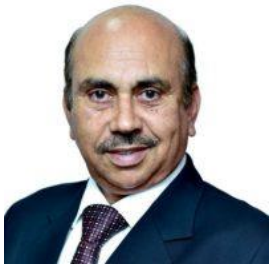
As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan or employee stock purchase plan.

OUR PROMOTERS AND PROMOTER GROUP

The Promoters of our Company are Sudhir Vaid and Ankur Vaid.

As on the date of this Draft Red Herring Prospectus, our Promoters, in aggregate, hold 30,756,044 Equity Shares in our Company, representing 29.40% of the issued, subscribed and paid-up Equity Share capital of our Company. For further details, see "*Capital Structure - Shareholding of our Promoters and Promoter Group*", on page 81.

Details of our Promoters



Sudhir Vaid, aged 69 years, is one of the Promoters and the Chairman and Managing Director on our Board. For a complete profile of Sudhir Vaid, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "*Our Management*" beginning on page 165.

His PAN is ABVPV9184E.

Ankur Vaid, aged 40 years, is one of the Promoters and the Joint Managing Director and the Chief Executive Officer on our Board. For a complete profile of Ankur Vaid, i.e., his date of birth, residential address, educational qualifications, professional experience, positions/ posts held in the past and other directorships, special achievements, business and other activities, see "*Our Management*" beginning on page 165.

His PAN is ADWPV0192K.

Our Company confirms that the PANs, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of our Promoters will be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters and Common Pursuits

Our Promoters are interested in our Company to the extent that (i) they have promoted our Company; (ii) to the extent of their shareholding and shareholding of the members of the Promoter Group, in our Company; and (iii) the dividend payable, if any, and any other distributions in respect of the Equity Shares held by them in our Company, from time to time. For details of the shareholding of our Promoters in our Company, see "*Capital Structure*", beginning on page 70.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their remuneration/sitting fees and reimbursement of expenses, payable to them, if any in their capacity as Directors. For further details, see "*Our Management – Payment or benefit to Directors of our Company – Remuneration to Executive Directors*" and "*Our Management – Interests of Directors*" on pages 171 and 172, respectively.

Our Promoters have no interest in any property acquired by our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to any of our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Except in the ordinary course of business and as disclosed in "*Other Financial Information - Related Party Transactions*" and "*Restated Consolidated Financial Information – Note 39: Related party Transactions*" on

pages 242 and 234, respectively, no amount or benefit has been paid or given to our Promoters or any of the members of the Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or any of the members of the Promoter Group other than in the ordinary course of business.

Other than as disclosed in this section under *" – Entities forming part of the Promoter Group"* on page 184 and in "*Our Management"* on page 165, our Promoters are not involved in any other ventures.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies and firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated with any company or firm in the last three years as on the date of this Draft Red Herring Prospectus.

Confirmations

Our Promoters and members of our Promoter Group have not been declared Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by Reserve Bank of India.

Our Promoters and members of our Promoter Group have not been prohibited or debarred from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other securities market regulator or any other authority, court or tribunal inside and outside India.

Our Promoters are not and have not been promoters or directors of any other company which is debarred from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Change in the control of our Company

Our Promoters are not the original Promoters of our Company. For details, see "*Capital Structure*" on page 70.

There has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The following individuals and entities constitute our Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.

Natural persons who are part of our Promoter Group

The following table sets forth details of the natural persons who are part of our Promoter Group (due to their relationship with our Promoters):

Member of the Promoter Group	Relationship
Sudhir Vaid	
Manju Vaid	Wife
Swatantar Vaid Swaraj Vaid Sushil Vaid Suresh Vaid	Brothers
Ritu Bhagat	Sister
Ankur Vaid	Son
Sonal Kumra	Daughter
Asha Rani Kocchar	Wife's mother
Rakesh Kocchar	Wife's brothers

Member of the Promoter Group	Relationship
Rajesh Kocchar	
Shashi Bala Chaddha	Wife's sister
Ankur Vaid	
Megha Vaid	Wife
Sudhir Vaid	Father
Manju Vaid	Mother
Sonal Kumra	Sister
Aarav Vaid	Son
Myra Vaid	Daughter
Vinay Kumar Girdhar	Wife's father
Rita Girdhar	Wife's mother
Pooja Girdhar	Wife's sister

Entities forming part of our Promoter Group

- M/s Sudman Consultants LLP
- S.J. Vaid HUF

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of 'group companies' of our Company shall include (i) the companies (other than our subsidiaries and corporate promoters, if any) with which there were related party transactions, as disclosed in the Restated Consolidated Financial Information; and (ii) such other companies as considered material by the Board pursuant to the materiality policy.

With respect to (ii) above, our Board in its meeting held on August 9, 2022 has considered that such companies that are a part of the Promoter Group (as defined in the SEBI ICDR Regulations) with which there were transactions in the most recent financial year and stub period, if any, to be included in the Offer documents, which individually or in the aggregate, exceed 10% of the total restated consolidated revenue of our Company for the most recent financial year, shall also be classified as group companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company has one Group Company, i.e., Concord Biotech Japan K.K, which is our Joint Venture.

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Company for the previous three financial years, extracted from their respective financial statements, are required to be hosted on the websites of the respective Group Company. However, as our Group Company does not have a website of its own, the relevant financial information in relation to our Group Company is available on our Company's website as indicated below.

Our Company is providing link to its website solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of our Group Company and other information provided on our website does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

None of our Company, the BRLMs or any of our Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the website indicated below.

Details of our Group Company

The details of our Group Company are provided below:

1. *Concord Biotech Japan K.K. ("CBJKK")*

Registered Office

The registered office of CBJKK is situated at 4-14 Kanda-Iwamotocho, Chiyoda-ku, Tokyo 101-0033, Japan.

Financial information

CBJKK is not required to prepare its audited financial statements under the laws of Japan where it has been incorporated. The financial information derived from the unaudited financial statements of CBJKK being, (i) reserves (including revaluation reserves); (ii) total income; (iii) profit after tax; (iv) earnings per share; (v) diluted earnings per share; and (vi) net asset value, for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are available on www.concordbiotech.com/investors. The financial information is available at our Company's website as the website of CBJKK is not available.

Nature and extent of interest of our Group Company

In the promotion of our Company

Our Group Company has no interest in the promotion of our Company.

In the properties acquired by our Company in the past three years before filing this Draft Red Herring Prospectus or proposed to be acquired by our Company

Our Group Company is not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

In transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Company is not interested in any transactions for acquisition of land, construction of building or supply of machinery, etc.

Common pursuits among the Group Company and our Company

There are no common pursuits amongst our Group Company and our Company.

Related business transactions within our Group Company and significance on the financial performance of our Company

Except as disclosed in "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234, there are no related business transactions with the Group Company that impact financial performance of our Company.

Litigation

As on the date of this Draft Red Herring Prospectus, there is no pending litigation involving our Group Company which will have a material impact on our Company.

Business interest of our Group Company

Except in the ordinary course of business and as stated in "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234, our Group Company has no business interest in our Company.

Confirmations

Our Group Company's securities are not listed on a stock exchange. Further, our Group Company has not made any public or rights issue (as defined under the SEBI ICDR Regulations) of securities in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends on our Equity Shares, if any, will be recommended by our Board to the Shareholders for their approval in the Annual General Meeting, at their discretion, subject to compliance with the provisions of the Companies Act, including the rules made thereunder and other relevant regulations, if any, each as amended. Further the Board shall also have the absolute power to declare interim dividend in compliance with the Act including the Rules made thereunder and other relevant regulations, if any. The dividend distribution policy of our Company was approved and adopted by our Board on July 29, 2022.

The declaration and payment of dividend will depend on a number of internal and external factors. Some of the internal factors on the basis of which the Company may declare dividend shall include magnitude of earnings, return on invested capital, liquidity position including its present and expected obligations, investments in new businesses, cash flow from operations, cost of borrowing of the Company, keeping in view the growth opportunities and debt obligations of our Company. The external factors on the basis of which the Company may declare the dividend shall include regulatory requirements, economic environment and capital markets, inflation rate, tax implications, considering dividend pay-out ratios of Companies in the same industry Our Company may not distribute dividend or may distribute a reduced quantum of dividend when there is absence or inadequacy of profits.

Our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance our fund requirements for our business activities. For details in relation to risks involved in this regard, see "*Risk –Factors - Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 44.

Details of dividends distributed on the Equity Shares are as follows:

(*Amount in ₹, except share data*)

Particulars	**Period**			
	April 1, 2022 to the date of this Draft Red Herring Prospectus	**Financial year ended March 31, 2022**	**Financial year ended March 31, 2021**	**Financial year ended March 31, 2020**
No. of equity shares	104,616,204*	9,510,564	9,510,564	9,510,564
Face value of equity shares	1	10	10	10
Interim dividend (In million)	N.A.	-	-	373.29 (39.25 per equity share)
Final dividend (In million)		705.21	57.06	294.83 (31.00 per equity share)
Total dividend (In million)		705.21	57.06	668.12
Dividend per equity share#		74.15	6.00	70.25
Dividend rate (%)		741.50%	60.00%	392.50% (Interim dividend) 310.00% (Final dividend)
Mode of payment of dividend		RTGS/ NEFT/ Account payee	RTGS/ NEFT/ Account payee	RTGS/ NEFT/ Account payee
Dividend distribution tax* (In million)**		Nil	Nil	76.73 (Interim dividend) 60.60 (Final dividend)
Date of declaration		September 13, 2021	December 5, 2020	Interim – July 5, 2019 Final – August 5, 2019

** Pursuant to a resolution dated May 24, 2022 passed by our Board and a resolution dated July 8, 2022 passed by our Shareholders, the equity shares of face value of ₹ 10 each were sub-divided into equity shares of fae value of ₹ 1 each.*

 # Dividend per equity share = Total dividend / Number of equity shares

SECTION V: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

(*The remainder of this page is intentionally left blank*)

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Concord Biotech Limited

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 6 below), the attached Restated Consolidated Financial Information of Concord Biotech Limited (the "Company" or the "Issuer") which includes Company's share of profit / loss in its joint venture, comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Cash Flow Statement for the years ended March 31, 2022, 2021 and 2020, the Summary Statement of Significant Accounting Policies and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 9th August 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 3.1 to the Restated Consolidated Financial Information. The responsibility of the Board of Directors of the Company and of its joint venture's includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Company and its joint venture comply with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9th August 2022 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from audited consolidated Ind AS financial statements of the Company as at and for the years ended March 31, 2022, 2021 and 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on July 29, 2022, August 18, 2021 and October 26, 2020 respectively.

5. For the purpose of our examination, we have relied on the reports issued by us dated July 29, 2022, August 18, 2021 and October 26, 2020 on the consolidated Ind AS financial statements of the Company and its joint venture as at and for the years ended March 31, 2022, 2021 and 2020 as referred in Paragraph 4 above, which includes the following other matter paragraph (also refer Note 3.1 of the Restated Consolidated Financial Information):

I. As at and for the year ended March 31, 2020

i. Other Matter paragraph:

"Due to COVID-19 related lockdown we were not able to physically observe the physical verification of inventory that was carried out by the management of the Holding Company subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory of the Holding Company as per the guidance provided in SA 501 "Audit evidence – Specific consideration for selected items" which includes inspection of supporting documentation relating to purchases, production, sales, results of count performed by the Management of Holding Company through the year, and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

Our report is not modified in respect of this matter"

6. As indicated in our audit reports referred above:

a) we did not audit financial statements of a joint venture whose share of profit / loss in its joint venture included in the consolidated financial statements, for the relevant years is tabulated below. The financial statements of joint venture are unaudited and are included in these Restated Consolidated Financial Information, based on such unaudited financial statements furnished to us by the management of the Company. Our opinion on the consolidated financial statements and the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this joint venture are based solely on such unaudited financial statements. In our opinion and according to the information

and explanations given to us by the Management, these financial statements are not material to the Company:

(Rs in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2020
Share of profit/ (loss) in its joint ventures	(36.38)	(4.49)	1.50

Our opinion on the consolidated Ind AS financial statements is not modified in respect of this matter.

7. Based on our examination and according to the information and explanations given to us, we report that the Restated Consolidated Financial Information:

   a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021 and 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2022;

   b) do not require any adjustment for modification as there is no modification in the underlying audit reports referred in paragraph 5 above. There is an other matter paragraph (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

   c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. 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.

9. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements (except as described in Note 3.1 of the Restated Consolidated Financial Information) mentioned in paragraph 4 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. 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 report is shown or into whose hands it may come without our prior consent in writing.

For DELOITTE HASKINS & SELLS
Chartered Accountants
Firm's Registration No. 117365W

Hardik Sutaria
Partner
Membership No. 116642
UDIN: 22116642AOVXBU2754

Place: Ahmedabad
Date: 9th August 2022

Concord Biotech Limited
Restated Consolidated Statement of Assets and Liabilities
(Amount in INR Millions, unless otherwise stated)

Particulars	Notes	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	5 (A)	5,680.31	5,376.47	2,363.14
(b) Capital work-in-progress	5 (B)	741.56	179.46	1,414.05
(c) Intangible assets	6	35.79	64.18	0.93
(d) Right-of use assets	7	13.68	21.53	31.95
(e) Investment in joint venture	8	-	3.66	8.15
(f) Financial assets				
(i) Investments	8	2.56	-	-
(ii) Others	9	24.96	27.72	54.10
(g) Other non-current assets	10	266.39	63.94	147.00
(h) Non-Current tax assets (Net)	20 (C)	36.04	17.03	-
Total non-current assets (A)		**6,801.29**	**5,753.99**	**4,019.32**
II.Current assets				
(a) Inventories	11	1,951.17	1,536.08	1,112.31
(b) Financial assets				
(i) Investments	8	734.75	1,409.88	1,981.05
(ii) Trade receivables	12	2,321.74	1,775.17	1,835.05
(iii) Cash and cash equivalents	13	6.67	51.44	24.08
(iv) Other bank balances	13	882.65	556.76	1.78
(v) Others	14	219.80	226.29	20.54
(c) Other current assets	15	209.88	515.85	411.02
Total current assets (B)		**6,326.66**	**6,071.47**	**5,385.83**
Total Assets (A) + (B)		**13,127.95**	**11,825.46**	**9,405.15**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	16	95.11	95.11	95.11
(b) Other equity	17	10,937.12	9,898.62	7,607.23
Total equity (A)		**11,032.23**	**9,993.73**	**7,702.34**
LIABILITIES				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	312.48	562.50	355.28
(ii) Lease Liabilities	7	3.11	16.33	29.35
(b) Provisions	19	18.74	20.98	15.94
(c) Deferred tax liabilities (net)	20 (B)	209.71	174.53	151.29
Total non-current liabilities (B)		**544.04**	**774.34**	**551.86**
II.Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	293.38	300.99	125.00
(ii) Lease liabilities	7	15.96	13.01	10.91
(iii) Trade payables	21			
Due to micro and small enterprise		89.68	83.29	66.69
Due to other than micro and small enterprise		741.38	380.68	645.64
(iv) Others	22	216.40	228.20	73.01
(b) Provisions	19	17.48	6.60	2.84
(c) Other current liabilities	23	177.40	44.62	209.04
(d) Liabilities for current tax (net)	20 (C)	-	-	17.82
Total current liabilities (C)		**1,551.68**	**1,057.39**	**1,150.95**
Total Equity and Liabilities (A) + (B) + (C)		**13,127.95**	**11,825.46**	**9,405.15**

See accompanying notes 1 to 48 forming integral part of the Restated Consolidated Financial Information

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Hardik Sutaria
Partner

Place: Ahmedabad
Date: 9 August 2022

For and on behalf of board of directors of
Concord Biotech Limited
CIN:U24230GJ1984PLC007440

Sudhir Vaid
Chairman & Managing Director
DIN: 00055967

Ankur Vaid
Joint Managing Director & CEO
DIN: 01857225

Lalit Sethi
Chief Financial Officer

Prakash Sajnani
Sr. GM-Finance & Company Secretary

Place: Ahmedabad
Date: 9 August 2022

Concord Biotech Limited
Restated Consolidated Statement of Profit and Loss
(Amount in INR Millions, unless otherwise stated)

Particulars	Notes	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Income				
Revenue from operations	24	7,129.33	6,169.43	5,123.29
Other income	25	234.16	138.07	312.62
Total Income		**7,363.49**	**6,307.50**	**5,435.91**
Expenses				
Cost of materials consumed	26	1,572.57	1,311.68	1,240.10
Purchases of stock-in-trade		307.33	194.46	107.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	27	(239.79)	(390.47)	(48.51)
Employee benefits expense	28	956.94	694.69	622.44
Finance costs	29	54.84	6.66	6.99
Depreciation and amortization expense	30	500.50	275.23	212.45
Other expenses	31	1,799.54	1,083.56	1,159.77
Total Expenses		**4,951.93**	**3,175.81**	**3,301.03**
Restated Profit before tax and share of profit from joint venture		**2,411.56**	**3,131.69**	**2,134.88**
Share of Profit/ (loss) of Joint venture accounted using Equity method (Refer note 8 (a) (i))		(36.38)	(4.49)	1.50
Restated Profit before tax		**2,375.18**	**3,127.20**	**2,136.38**
Tax Expense				
Current tax	20 (a)	584.90	757.20	544.70
Deferred tax	20 (b)	37.05	23.39	(100.02)
Short / (excess) provision for tax of earlier years		3.94	(2.26)	0.58
Total tax expenses		**625.89**	**778.33**	**445.26**
Restated profit for the year after tax		**1,749.29**	**2,348.87**	**1,691.12**
Other Comprehensive Income / (Loss)				
Items that will not be reclassified to the Statement of Profit or Loss				
Re-measurement loss on defined benefit plans		(7.46)	(0.56)	(4.25)
Income tax relating to re-measurement gains on defined benefit plans		1.88	0.14	1.07
Restated other comprehensive income / (loss) for the year		**(5.58)**	**(0.42)**	**(3.18)**
Restated total comprehensive income for the year		**1,743.71**	**2,348.45**	**1,687.94**
Restated Profit for the year attributable to:				
Owners of the Company		1,749.29	2,348.87	1,691.12
Non-controlling interest		-	-	-
		1,749.29	**2,348.87**	**1,691.12**
Restated Total Other Comprehensive Income / (loss) for the year attributable to:				
Owners of the Company		(5.58)	(0.42)	(3.18)
Non-controlling interest		-	-	-
		(5.58)	**(0.42)**	**(3.18)**
Restated Total Comprehensive Income for the year attributable to:				
Owners of the Company		1,743.71	2,348.45	1,687.94
Non-controlling interest		-	-	-
		1,743.71	**2,348.45**	**1,687.94**
Restated earnings per share				
(Nominal value per equity share of ₹ 10 each) [Refer note 46 (a)]				
Basic and diluted [Refer note 32 and 46 (a)]		16.72	22.45	16.17
See accompanying notes 1 to 48 forming integral part of the Restated Consolidated Financial Information				

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of board of directors of
Concord Biotech Limited
CIN:U24230GJ1984PLC007440

Hardik Sutaria
Partner

Sudhir Vaid
Chairman & Managing Director
DIN: 00055967

Ankur Vaid
Joint Managing Director & CEO
DIN: 01857225

Lalit Sethi
Chief Financial Officer

Prakash Sajnani
Sr. GM-Finance & Company Secretary

Place: Ahmedabad
Date: 9 August 2022

Place: Ahmedabad
Date: 9 August 2022

Concord Biotech Limited
Restated Consolidated Statement of Changes in Equity
(Amount in INR Millions, unless otherwise stated)

A. Equity Share Capital

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	95.11	95.11	95.11
Changes during the year	-	-	-
Balance at the end of the year	95.11	95.11	95.11

B. Other Equity

Particulars	Reserves and Surplus			Total Equity
	Retained Earnings	General Reserve	Securities Premium	
Balance as at 1 April 2019	5,608.54	292.18	829.22	6,729.94
Adjustment due to Ind AS 116 transition	(6.95)	-	-	(6.95)
Deferred tax assets on above adjustment	1.75	-	-	1.75
Restated profit for the year	1,691.12	-	-	1,691.12
Other comprehensive income/ (losses)	(3.18)	-	-	(3.18)
Total Comprehensive Income	**1,687.94**	**-**	**-**	**1,687.94**
Dividends*	(668.12)	-	-	(668.12)
Tax on Dividends	(137.33)	-	-	(137.33)
Balance as at 31 March 2020	**6,485.83**	**292.18**	**829.22**	**7,607.23**
Restated profit for the year	2,348.87	-	-	2,348.87
Other comprehensive income/ (losses)	(0.42)	-	-	(0.42)
Total Comprehensive Income	**2,348.45**	**-**	**-**	**2,348.45**
Dividends**	(57.06)	-	-	(57.06)
Balance as at 31 March 2021	**8,777.22**	**292.18**	**829.22**	**9,898.62**
Restated profit for the year	1,749.29	-	-	1,749.29
Other comprehensive income/ (losses)	(5.58)	-	-	(5.58)
Total Comprehensive Income	**1,743.71**	**-**	**-**	**1,743.71**
Dividends***	(705.21)	-	-	(705.21)
Balance as at 31 March 2022	**9,815.72**	**292.18**	**829.22**	**10,937.12**

See accompanying notes 1 to 48 forming integral part of the Restated Consolidated Financial Information

* Final Dividend of ₹ 31.00 per equity share for the FY 2018-19 and Interim dividend for FY 2019-20 of ₹ 39.25 per equity share.
** Final Dividend of ₹ 6 per equity share for the FY 2019-20
*** Final Dividend of ₹ 74.15 per equity share for the FY 2020-21.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Hardik Sutaria
Partner

Place: Ahmedabad
Date: 9 August 2022

For and on behalf of board of directors of
Concord Biotech Limited
CIN:U24230GJ1984PLC007440

Sudhir Vaid
Chairman & Managing Director
DIN: 00055967

Ankur Vaid
Joint Managing Director & CEO
DIN: 01857225

Lalit Sethi
Chief Financial Officer

Prakash Sajnani
Sr. GM-Finance & Company Secretary

Place: Ahmedabad
Date: 9 August 2022

Concord Biotech Limited
Restated Consolidated Cash Flow Statement
(Amount in INR Millions, unless otherwise stated)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
(A) Cash flow from operating activities			
Profit before tax as per Restated Statement of Profit and Loss	2,375.18	3,127.20	2,136.38
Adjustment to reconcile Profit before tax to net cash flows:			
Share of (profit)/Loss in Joint Venture	36.38	4.49	(1.50)
Depreciation and amortization	500.50	275.23	212.45
Interest Income	(47.87)	(15.73)	(0.41)
Finance Cost	54.84	6.66	6.99
Interest Subsidy Income	(29.37)	(1.42)	-
Bad Debt Written Off	-	4.88	1.74
(Reversal) / Provision of doubtful debts, net	(3.46)	(0.29)	3.42
Excess provision no longer required written back	-	(21.84)	(0.87)
Export benefits receivables and other receivables written off	64.54	-	-
Provision against other receivables	22.70	-	-
Net loss/ (gain) on sale of Property, plant & equipment	0.34	-	(0.52)
Net gain on sale of investments	(50.94)	(67.70)	(234.01)
Net gain on financial assets measured at fair value through profit or loss	(1.36)	(2.16)	109.85
Net unrealized exchange (gain) / loss	(18.35)	(1.75)	23.32
Operating Profit before Working Capital Changes	**2,903.13**	**3,307.57**	**2,256.84**
Working Capital Changes:			
(Increase)/Decrease in Inventories	(415.09)	(423.77)	(195.14)
(Increase)/Decrease in trade receivables	(527.69)	65.01	(294.31)
(Increase)/Decrease in other financial assets	(64.28)	(17.90)	(37.41)
(Increase)/Decrease in other assets	305.98	(142.88)	(265.49)
Increase/(Decrease) in provisions	1.17	8.25	1.45
Increase/(Decrease) in trade payables	365.32	(225.10)	392.65
Increase/(Decrease) in other liabilities	100.10	(164.42)	193.38
Increase/(Decrease) in other financial liabilities	13.96	13.18	(12.37)
	(220.53)	**(887.63)**	**(217.24)**
Cash generated from operations	2,682.60	2,419.94	2,039.60
Direct Taxes paid (Net of Income Tax refund)	(607.85)	(751.77)	(491.16)
Net cash flow from operating activities (A)	**2,074.75**	**1,668.17**	**1,548.44**
(B) Cash flow from investing activities			
Purchase of property plant & equipment and intangible assets	(1,555.05)	(2,041.76)	(1,554.67)
Proceeds from disposal of property plant & equipment	0.56	-	1.70
Purchase of Current Investment	(4,889.50)	(6,182.72)	(4,799.82)
Proceeds from sale of Current Investment	5,614.36	6,823.74	5,236.27
Interest received	41.39	1.07	0.05
Purchase of Non Current Investment	-	-	(6.65)
Net Cashflow from Deposits (Other bank Balances)	(329.64)	(552.38)	(4.67)
Net cash flow used in investing activities (B)	**(1,117.88)**	**(1,952.05)**	**(1,127.79)**
(C) Cash flow from financing activities			
Repayment of Long term borrowings	(250.02)	(187.50)	(92.21)
Proceeds of Long Term borrowings	-	519.72	480.28
Change in Short term borrowings (net)	(7.61)	50.99	-
Dividend Paid (Including tax on dividends)	(705.21)	(57.06)	(805.45)
Interest Paid	(53.15)	-	(2.91)
Interest subsidy received	30.89	-	-
Repayment towards Lease Liabilities	(16.54)	(14.91)	(13.87)
Net cash flow from/ (used) in financing activities (C)	**(1,001.64)**	**311.24**	**(434.16)**
Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(44.77)	27.36	(13.51)
Cash and cash equivalents at the beginning of the year	51.44	24.08	37.59
Cash and cash equivalents at the end of the year	**6.67**	**51.44**	**24.08**

Concord Biotech Limited
Restated Consolidated Cash Flow Statement
(Amount in INR Millions, unless otherwise stated)

Reconciliation of Cash and cash equivalents with the Restated Financial Information

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Cash and Cash Equivalents:			
Cash on hand	0.12	0.16	0.12
Balance with banks	6.55	51.28	23.96
Cash and cash equivalents as per restated financial information (Refer Note 13)	**6.67**	**51.44**	**24.08**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at 31 March 2022:

Particulars	As at 1 April 2021	Cash flows	Non-cash Movement	As at 31 March 2022
Borrowings (including current maturities) (Note - 18)	863.49	(257.63)	-	605.86
Lease Liability (Note - 7)	29.35	(16.54)	6.27	19.07
Interest accrued but not paid (Note - 22)	5.08	(53.15)	51.70	3.63
Total liabilities from financing activities	**897.92**	**(327.32)**	**57.97**	**628.56**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at 31 March 2021:

Particulars	As at 1 April 2020	Cash flows	Non-cash Movement	As at 31 March 2021
Borrowings (including current maturities) (Note - 18)	480.28	383.21	-	863.49
Lease Liability (Note - 7)	40.26	(14.91)	4.00	29.35
Interest accrued but not paid (Note - 22)	-	-	5.08	5.08
Total liabilities from financing activities	**520.54**	**368.30**	**9.08**	**897.92**

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities as at 31 March 2020:

Particulars	As at 1 April 2019	Cash flows	Non-cash Movement	As at 31 March 2020
Borrowings (including current maturities) (Note - 18)	92.21	388.07	-	480.28
Lease Liability (Note - 7)	-	(13.87)	54.13	40.26
Interest accrued but not paid (Note - 22)	0.80	(2.91)	2.11	-
Total liabilities from financing activities	**93.01**	**371.29**	**56.24**	**520.54**

See accompanying notes 1 to 48 forming part of the Restated Consolidated Financial Information
The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

Hardik Sutaria
Partner

Place: Ahmedabad
Date: 9 August 2022

For and on behalf of board of directors of
Concord Biotech Limited
CIN:U24230GJ1984PLC007440

Sudhir Vaid
Chairman & Managing Director
DIN: 00055967

Ankur Vaid
Joint Managing Director & CEO
DIN: 01857225

Lalit Sethi
Chief Financial Officer

Prakash Sajnani
Sr. GM-Finance & Company Secretary

Place: Ahmedabad
Date: 9 August 2022

Concord Biotech Limited
Notes to Restated Consolidated Financial Information

1. Corporate Information

Concord Biotech Limited (hereinafter referred to as "the Company" or "Concord"), and the joint venture ('JV') is engaged in research and development, manufacturing, marketing and selling of pharmaceutical products. The Company is a public company incorporated and domiciled in India. The Company's API manufacturing facilities are located at Dholka and Limbasi, and its formulations facility at Valthera in the state of Gujarat, India.

2. Statement of Compliance

The Restated Consolidated Financial Information comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The Restated Consolidated Financial Information have been prepared for the company and its joint venture as a going concern on the basis of relevant Ind AS that are effective at the company and its joint venture's annual reporting date, 31 March 2022. The Restated Consolidated financial information for the period ended 31 March 2022, 31 March 2021 and 31 March 2020 were approved by the Company's Board of Directors on 9 August 2022.

3. Basis of Preparation and Presentation of Restated Consolidated Financial Information

3.1. Basis of Preparation

The Restated Consolidated Financial Information of the Company and its joint venture comprises of the Restated Consolidated Statement of Assets and Liabilities as at 31 March, 2022, 2021 and 2020, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the years ended 31 March, 2022, 2021 and 2020 of the Company and its share in the profit / (loss) in the joint venture; and the Summary of Significant Accounting Policies and explanatory notes (collectively, the "Restated Consolidated Financial Information").

These Restated Consolidated Financial Information have been prepared by the Management of the Company for the purpose of inclusion in the Draft Red Herring Prospectus ('DRHP') prepared by the Company in connection with its proposed Initial Public Offer ("IPO") in terms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

(ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and

(iii) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Restated Consolidated Financial Information have been compiled by the Management from:

Audited consolidated Ind AS financial statements of the Company and its joint venture as at and for the years ended 31 March, 2022, 2021 and 2020 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "Consolidated Ind AS Financial Statements"), which have been approved by the Board of Directors at their meetings held on 29 July 2022, 18 August 2021 and 26 October 2020 respectively.

The accounting policies have been consistently applied by the Company and its joint venture in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Consolidated Ind AS Financial Statements as at and for the year ended 31 March, 2022.

Subsequent to 31 March, 2022, pursuant to a resolution of shareholders dated 8 July 2022, each equity share of face value of INR 10 each of the Company has been split into 10 equity shares of face value of INR 1 each (the "Split"). Further, the Board of Directors has approved the issuance of 1 bonus shares of face value of INR 1 each for every 10 existing fully paid up equity share of face value of INR 1 each and accordingly 95,10,564 bonus shares were issued, which were allotted on 20 July 2022 (the "Bonus Issue"). As required under Ind AS 33 "Earnings per share" the effect of such Split and Bonus Issue are required to be adjusted for the purpose of computing earnings per share for all the years presented retrospectively. As a result, the effect of the Split and the Bonus Issue have been considered in these Restated Consolidated Financial Information for the purpose of calculation of earnings per share (refer Note 32 of the Restated Consolidated Financial Information).

The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited consolidated Ind AS financial statements other than those described above.

The Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021, and 2020 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2022.
b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The auditor's report dated 26 October 2020 on the Financial Statements as at and for the year ended 31 March 2020 includes the following Other Matter paragraph:

"Due to COVID-19 related lockdown we were not able to physically observe the physical verification of inventory that was carried out by the management of the Company subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory the Company as per the guidance provided in SA 501 "Audit evidence – Specific consideration for selected items" which includes inspection of supporting documentation relating to purchases, production, sales, results of count performed by the Management of the Company through the year, and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.

Our opinion is not modified in respect of this matter."

The above other matter does not require any adjustment to the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." Or "₹" and all values are stated as INR millions or Rs. millions or ₹ millions, except when otherwise indicated.

3.2. Functional and Presentation Currency

The Restated Consolidated Financial Information are presented in Indian Rupees, the currency of the primary economic environment in which the Company and its joint venture operates. All the amounts are rounded to the nearest rupee millions.

3.3. Basis of Measurement

The Restated Consolidated Financial Information have been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

3.4. Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its Joint Venture takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.5. Basis of Consolidation

The Company's interests in equity accounted investees comprise interests in a joint venture.

A joint venture is an arrangement in which the Company has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in a joint venture is accounted for using the equity method. It is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Restated Consolidated Financial Information include the company's share of profit or loss and other comprehensive income (OCI) of equity - accounted investees until the date on which significant influence or joint control ceases.

The carrying amount of such the Investment is tested for impairment at each reporting date.

3.6. Use of estimates

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires Management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated Consolidated Financial Information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Key source of estimation of uncertainty at the date of the restated consolidated financial information, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment (Refer note no. 4.1)
- Leases-Company as a lessee (Refer note no. 4.5)
- Valuation of Inventories (Refer note no. 4.6)
- Employee benefits (refer note no.4.8)
- Provisions & Contingent Liabilities (Refer note no. 4.9)
- Valuation of deferred tax assets (Refer note no. 4.12)

3.7. Current versus non-current classification:

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company and its joint venture has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets / non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company and its joint venture does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities / non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. The operating cycle of the Company and joint venture is less than 12 months.

4. Significant accounting policies

4.1. Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of Plant, Property & Equipment comprises of its purchase price, non-refundable taxes & levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying Property, Plant and Equipment is capitalized to respective assets when the time taken to put the assets to use is substantial.

When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to the Company and its cost can be measured reliably.

Capital work-in-progress comprises cost of Property, Plant and Equipment that are not yet installed and ready for their intended use at the Balance sheet date.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involve substantial expansion of capacity or upgradation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in the restated statement of profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on Property, Plant and Equipment is provided using straight line method (except vehicles which have been depreciated based on written down value method) based as per the useful life prescribed in Schedule II to the Companies Act, 2013. Depreciation on assets added / disposed off during the year is provided on pro-rata basis with reference to month of addition / disposal. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any are accounted for on a prospective basis.

4.2. Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Intangible assets are amortized over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

4.3. Foreign currency Transactions and Translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the restated statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

4.4. Financial Instruments

4.4.1. Financial assets

(a) Classification of financial assets:

The Company and its joint venture classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss) and
- those measured at amortised cost. The classification depends on the Company and its joint venture's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

(b) Initial measurement:

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognised immediately in restated statement of profit and loss.

(c) Subsequent measurement:

- **Amortised Cost**
  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI)**:
  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). 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 restated statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.
- **Fair value through profit or loss (FVTPL)**
  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Restated statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Derecognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset

When the company and its joint venture has transferred an asset, the company and its joint venture evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company and its joint venture has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company and its joint venture has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognised if the company and its joint venture has not retained control over the financial asset. Where the company and its joint venture retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(e) Income recognition:

Dividend is accounted when the right to receive payment is established.

(f) Cash and cash equivalents:

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of investments. Bank overdrafts that are repayable on demand and form an integral part of the company and its joint venture's cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

(g) Investments:

Investments in mutual funds are primarily held for the company and its joint venture's temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

(h) Trade receivables:

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

4.4.2. Financial liabilities

The Company and its joint venture's financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

(a) Classification:

All the Company and its joint venture's financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost.

(b) Initial measurement:

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(c) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the Effective Interest Rate Method. The Effective Interest Rate Method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(d) Derecognition of financial liabilities:

The Company and its joint venture derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or waived off or have expired. An exchange between the company and its joint venture and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(e) Borrowings:

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest rate method. Transaction costs are charged to Restated statement of profit and loss as financial expenses over the term of borrowing.

(f) Trade payables:

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business

4.4.3. Derivative Financial Instruments:

The company and its joint venture enters into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately.

4.5 Leases – Company as lessee

At inception of a contract, the company and its joint venture assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified assets 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 company and its joint venture assesses whether contract involves the use of an identified asset, the company and its joint venture has a right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use and the company and its joint venture has the right to direct the use of the asset.

At the inception date, right-of-use asset is recognised at cost which includes present value of lease payments adjusted for any payments made on or before the commencement of lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. Right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of useful life of the asset or the lease term. When the company and its joint venture has purchase option available under lease and cost of right-ofuse assets reflects that purchase option will be exercised, right-of-use asset is depreciated over the useful life of underlying asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Restated statement of profit and loss.

At the inception date, lease liability is recognised at present value of lease payments that are not made at the commencement of lease. Lease liability is subsequently measured by adjusting carrying amount to reflect interest, lease payments and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or interest rate implicit in the lease, if the rate can be determined.

The company and its joint venture has elected not to apply requirements of Ind AS 116 to leases that has a term of 12 months or less and leases for which the underlying asset is of low value. Lease payments of such lease are recognised as an expense on straight line basis over the lease term.

4.6. Inventories

Inventories are carried at the lower of cost and net realizable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

(a) Raw Material and Packing Material - Purchase cost of materials on FIFO basis.
(b) Finished Goods (Manufactured) and work in progress - Cost of purchase, conversion cost, and other costs attributable to inventories.
(c) Trading goods - Purchase cost on FIFO basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by the company and its joint venture from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

4.7. Impairment of Assets

4.7.1. Financial Assets

At each balance sheet date, the company and its joint venture assesses whether a financial asset carried at cost is to be impaired. Ind AS 109 – "Financial Instruments" requires expected credit losses to be measured through loss allowance. The company and its joint venture measures the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the company and its joint venture measures the loss allowance for financial assets at an amount equal to 12-month expected credit losses.

4.7.2. Non-financial Assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.8. Employee Benefits

4.8.1. Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

4.8.2. Long term employment benefits

Defined Contribution Plans

Contributions to defined contribution plans (provident fund and other social security schemes) are recognized as expense when employees have rendered services entitling them to such benefits.

Defined Benefit Plans

The company and its joint venture's net obligation in respect of an approved gratuity plan, which is a defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and net interest on the net defined benefit liability (asset) is recognized in the Restated statement of profit and loss. Past service cost are immediately recognized in the Restated statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise.

Compensated absences and earned leaves

The company and its joint venture's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The company and its joint venture measures the expected cost of accumulating compensated absences as the additional amount that the company and its joint venture expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the Restated statement of profit and loss in the period in which they arise.

4.9. Contingent liabilities, contingent assets and provisions

(a) Contingent liabilities:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

(b) Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised and disclosed only when an inflow of economic benefits is probable.

(c) Provisions:

A provision is recognized when as a result of a past event, the company and its joint venture has a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

4.10. Government Grant

The company and its joint venture recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

Government grants received in relation to assets are recognised directly to respective assets for which it is received. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

4.11. Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognised when it is highly probable that a significant reversal will not occur.

Sales return is recognised and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Revenue from services are recognised as the related services are performed, the contractual performance obligations are satisfied and there is no uncertainty related to the collection of the said revenue.

Profit share earned through a collaboration partners is recognised as the underlying sales are recorded by the collaboration partners.

Export entitlements

Export entitlements are recognised as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

Interest Income

Interest income is recognized using effective interest rate method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortized cost of the financial liabilities

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

4.12. Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in statement of profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case, income tax expenses are also recognized in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the Restated Consolidated financial informationare recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are offset when the company and its joint venture has a legally enforceable right to do the same.

4.13. Earnings per share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the company and its joint venture by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.14. Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

4.15. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in Restated Statement of Profit and Loss in the period in which they are incurred.

4.16. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The CODM of the company and its joint venture is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

4.17. Recent Accounting Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23rd March, 2022 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

(a) Ind AS 16 – Proceeds before intended use
The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as a part of cost of an item of property, plant and equipment. The Company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

(b) Ind AS 103 – Reference to Conceptual Framework
The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

(c) Ind AS 37 – Onerous Contracts
Costs of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

(d) Ind AS 109 – Annual Improvements to Ind AS (2021)
The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 5
(A) Property, Plant and Equipment

Particulars	Freehold Land	Building	Plant & Equipments	Laboratory Equipments	Office Equipments	Furniture and Fixtures	Computers	Vehicles	Total
Gross Carrying Value									
Balance as at 1 April 2019	509.75	714.32	1,139.20	250.73	29.31	101.75	30.44	19.46	**2,794.96**
Additions	33.66	21.04	169.02	20.57	0.46	3.40	8.00	13.71	**269.86**
Deductions	-	-	-	-	-	-	-	9.82	**9.82**
Balance as at 31 March 2020	**543.41**	**735.36**	**1,308.22**	**271.30**	**29.77**	**105.15**	**38.44**	**23.36**	**3,055.00**
Balance as at 1 April 2020	543.41	735.36	1,308.22	271.30	29.77	105.15	38.44	23.35	**3,055.00**
Additions	3.58	1,245.45	1,758.93	139.97	15.93	47.99	22.90	10.81	**3,245.56**
Deductions	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2021	**546.99**	**1,980.81**	**3,067.15**	**411.27**	**45.70**	**153.14**	**61.34**	**34.16**	**6,300.56**
Balance as at 1 April 2021	546.99	1,980.81	3,067.15	411.27	45.70	153.14	61.35	34.16	**6,300.57**
Additions	0.12	245.53	461.10	20.91	3.31	19.29	5.90	4.13	**760.29**
Deductions	-	-	0.78	-	0.10	-	-	1.18	**2.06**
Balance as at 31 March 2022	**547.11**	**2,226.34**	**3,527.47**	**432.18**	**48.91**	**172.43**	**67.25**	**37.11**	**7,058.80**
Accumulated Depreciation									
Balance as at 1 April 2019	-	68.56	290.01	76.74	11.34	25.51	21.15	6.66	**499.97**
Depreciation	-	24.80	118.91	28.28	5.47	10.66	7.24	5.18	**200.53**
Disposals	-	-	-	-	-	-	-	8.64	**8.64**
Balance as at 31 March 2020	**-**	**93.36**	**408.92**	**105.02**	**16.81**	**36.17**	**28.39**	**3.19**	**691.86**
Balance as at 1 April 2020	-	93.36	408.92	105.02	16.81	36.17	28.39	3.19	**691.86**
Depreciation	-	29.89	140.19	30.48	5.45	11.07	7.12	8.03	**232.23**
Disposals	-	-	-	-	-	-	-	-	**-**
Balance as at 31 March 2021	**-**	**123.25**	**549.11**	**135.50**	**22.26**	**47.24**	**35.51**	**11.22**	**924.09**
Balance as at 1 April 2021	-	123.25	549.11	135.50	22.26	47.24	35.51	11.22	**924.09**
Depreciation	-	77.08	297.95	39.28	7.89	14.77	10.86	7.74	**455.57**
Disposals	-	-	0.04	-	0.10	-	-	1.03	**1.17**
Balance as at 31 March 2022	**-**	**200.33**	**847.02**	**174.78**	**30.05**	**62.01**	**46.37**	**17.93**	**1,378.49**
Carrying value									
Balance as at 31 March 2020	**543.41**	**642.00**	**899.30**	**166.28**	**12.96**	**68.98**	**10.05**	**20.16**	**2,363.14**
Balance as at 31 March 2021	**546.99**	**1,857.56**	**2,518.04**	**275.77**	**23.44**	**105.90**	**25.83**	**22.94**	**5,376.47**
Balance as at 31 March 2022	**547.11**	**2,026.01**	**2,680.45**	**257.40**	**18.86**	**110.42**	**20.88**	**19.18**	**5,680.31**

Notes:

(i) Buildings includes ₹ 100 (31 March 2021 ₹ 100, 31 March 2021 ₹ 100) being cost of shares of Bopal "444" Association.

(ii) Depreciation for the year includes ₹ 18.36 Million (Year ended 31 March 2021 ₹ 20.56 Million, Year ended 31 March 2020 ₹ 20.01 Million) for depreciation on Research & Development assets. (Refer note 41)

(iii) Additions to Property, plant and equipments during the year include capital expenditure related activities on Research & Development amounting to ₹ 13.53 Millon (year ended 31 March 2021 ₹ 13.85 Million, year ended 31 March 2020 ₹ 19.00 Million). The details of the same are as under:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Factory Building	-	-	2.59
Plant & Machinery	0.22	11.94	2.71
Laboratory Equipment	13.03	1.39	11.43
Computer	0.13	0.45	0.94
Office Equipment	0.02	0.07	0.09
Furniture & Fixtures	0.13	-	1.24
Total	**13.53**	**13.85**	**19.00**

(iv) Details of property, plant and equipments which are hypothecated/mortgaged as security for borrowings are disclosed under note 18 (i).

(v) The amount of capital commitments is disclosed in Note 34.

(vi) During the year ended 31 March 2021, the Company has capitalized Interest on borrowings aggregating to ₹ 54.81 million in connection with borrowings used for construction / acquistion of qualifying assets. Further, an amount of ₹ 143.10 million towards capital subsidy, ₹ 33.11 million towards interest subsidy and ₹ 22.95 million towards re-imbursement of stamp duty charges have been adjusted towards the cost of such assets capitalized during the year ended 31 March 2021.

(B) Capital Work-In-Progress

Particulars	As at 31 March 2022	As at 31 March 2022	As at 31 March 2020
Capital Work-In-Progress	741.56	179.46	1,414.05
Total	**741.56**	**179.46**	**1,414.05**

(i) Capital Work-In-Progress Ageing Schedule:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Balance as at 31 March 2020	1,279.15	134.90	-	-	1,414.05
Balance as at 31 March 2021	179.46	-	-	-	179.46
Balance as at 31 March 2022	702.12	39.45	-	-	741.56

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 6
Intangible Assets

Particulars	Intangible Assets		
	Software	Technical Know-How	Total
Gross Carrying Value			
Balance as at 1 April 2019	7.11	7.01	14.12
Additions	0.48	-	0.48
Deductions	-	-	-
Balance as at 31 March 2020	**7.59**	**7.01**	**14.60**
Balance as at 1 April 2020	7.59	7.01	14.60
Additions	2.70	93.13	95.83
Deductions	-	-	-
Balance as at 31 March 2021	**10.29**	**100.14**	**110.43**
Balance as at 1 April 2021	10.29	100.14	110.43
Additions	1.47	4.09	5.56
Deductions	-	-	-
Balance as at 31 March 2022	**11.76**	**104.23**	**115.99**
Amortisation			
Balance as at 1 April 2019	5.09	7.01	12.10
Additions	1.57	-	1.57
Deductions	-	-	-
Balance as at 31 March 2020	**6.66**	**7.01**	**13.67**
Balance as at 1 April 2020	6.66	7.01	13.67
Additions	1.54	31.04	32.58
Deductions	-	-	-
Balance as at 31 March 2021	**8.20**	**38.05**	**46.25**
Balance as at 1 April 2021	8.20	38.05	46.25
Additions	1.55	32.40	33.95
Deductions	-	-	-
Balance as at 31 March 2022	**9.75**	**70.45**	**80.20**
Net Carrying Value			
Balance as at 31 March 2020	**0.93**	**0.00**	**0.93**
Balance as at 31 March 2021	**2.09**	**62.09**	**64.18**
Balance as at 31 March 2022	**2.01**	**33.78**	**35.79**

Note 7
Right-of use assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Right-of use Assets (RoU)	13.68	21.53	31.95
Total	**13.68**	**21.53**	**31.95**

Leased Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Leased Liabilities - Current	15.96	13.01	10.91
Leased Liabilities - Non Current	3.11	16.33	29.35
Total	**19.07**	**29.34**	**40.26**

A. The Company has taken Office building and other warehouse on lease. Disclosures as per Ind AS 116 - Leases are as follows:

The changes in the carrying value of RoU assets are as follows :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening Balance	21.53	31.95	40.25
Additions during the year	3.13	-	2.05
Deletions/cancellation/modification during the year	-	-	-
Amortization	(10.98)	(10.42)	(10.35)
Balance at the end of the year	**13.68**	**21.53**	**31.95**

The aggregate depreciation expense on ROU assets is included under amortisation expense in the restated consolidated Statement of Profit and Loss.

B. The movement in lease liabilities are as follows :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening Balance	29.35	40.26	47.19
Additions during the year	3.12	-	2.06
Deletions during the year	-	-	-
Finance cost accrued during the year	3.14	3.99	4.88
Payment of lease labilities	(16.54)	(14.91)	(13.87)
Balance at the end of the year	**19.07**	**29.34**	**40.26**

The break-up of current and non-current lease liabilities :

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Current	15.96	13.01	10.91
Non Current	3.11	16.33	29.35
Total	**19.07**	**29.34**	**40.26**

C. The details of contractual maturities of lease liabilities on undiscounted basis are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Less than one year	17.78	15.92	14.03
One to five years	3.56	18.05	33.97
More than five years	-	-	-
Total	**21.34**	**33.97**	**48.00**

D. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

E. The amount recognised in the restated consolidated Statement of Profit and Loss are as follows:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Amortization expense of RoU assets (Refer Note 30)	10.98	10.42	10.35
Interest expense on lease liabilities (Refer Note 29)	3.14	3.99	4.88
Rent expense*	0.02	0.04	0.02
Total	**14.14**	**14.45**	**15.25**

*Rent expenses for short term leases and leases of low value assets (Refer Note 31)

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 8
Investments

Particulars	No. of units as at 31 March 2022	No. of units as at 31 March 2021	No. of units as at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(a) Non-Current						
(i) Investment in Joint Venture						
Concord Biotech Japan K.K.	200	200	200	6.65	6.65	6.65
Add: Share of Profit / (Loss) in joint venture (refer reconciliation given below)				(39.37)	(2.99)	1.50
Net Investment / (Deferred Income)				(32.72)	3.66	8.15
Less: Deferred Income transferred to other current liability note 23				32.72	-	-
Net Investment accounted using equity metho				**-**	**3.66**	**8.15**
Note: The net loss of the current year is mainly on account of unrealised profit of inventory lying with Concord Biotech Japan K.K.						
Reconciliation of closing balalnce of cumulative share of profit in Joint Venture with Concord Biotech Japan K. K.						
Opening balance (A)				(2.99)	1.50	-
Share of profit of current year (B)				8.11	9.14	1.50
Less: Unrealised profit on closing stock (C)				(44.49)	(13.63)	-
Share of Profit/ (loss) of Joint venture as per equity method for the year end (D = B + C)				(36.38)	(4.49)	1.50
Closing balance (A + D)				(39.37)	(2.99)	1.50
(ii) Investments in Mutual Funds measured at FVTPI						
Aditya Birla Sun Life Credit Risk Fund Growth Regular(Formerly Known as Aditya Birla Sun Life Corporate Bond) Segregated Portfolio 1	60,56,568	60,56,568	60,56,568	0.99	-	-
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 1	-	-	21,282	-	-	-
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 2	17,876	19,594	21,282	1.57	-	-
Franklin India Short Term Income Plan - Retail Plan Segregated Portfolio 3	21,282	21,282	21,282	-	-	-
Total Investments at FVTPL				**2.56**	-	-
Total Investments - Non current				**2.56**	-	-
Aggregate book value and market value of investment				2.56	-	-
(b) Current						
Investments in Mutual Funds measured at FVTPI						
Edelweiss Arbitrage Fund - Regular Plan Growth	1,01,67,384	1,69,96,702	1,69,96,702	159.75	256.99	248.53
ICICI Prudential Equity Arbitrage Fund - Growth	-	-	53,21,649	-	-	137.89
Kotak Equity Arbitage Fund- Growth (Regular Plan)	-	97,12,379	54,19,947	-	282.17	152.02
Reliance Arbitrage Advantage Fund - Growth Plan	-	99,77,361	1,31,10,327	-	207.81	263.69
Reliance Liquid Fund - Growth Plan - Growth Option	-	14,026	-	-	70.09	-
Axis Liquid Fund -Direct Growth	-	8,809	-	-	20.02	-
HDFC Liquid Fund	-	11,468	-	-	46.08	-
Aditya Birla Sun Life Credit Risk Fund Growth Regular (Formerly Known as Aditya Birla Sun Life Corporate Bond)	-	-	60,56,568	-	-	87.58
Aditya Birla Sun Life Overnight Fund	35,043	-	-	40.12	-	-
Nippon India Overnight Fund	4,22,073	-	-	48.01	-	-
Axis Strategic Bond Fund - Growth	11,61,353	11,61,353	11,61,353	25.92	24.53	22.71
Franklin India Short Term Income Plan - Retail Plan	1,822	19,508	21,282	8.59	77.88	81.54
ICICI Prudential Saving Fund - Growth	2,96,506	2,96,506	1,16,856	129.29	124.03	45.26
Kotak Low Duration Fund Standard Growth (Regular Plan)	18,324	18,324	18,324	49.94	48.15	45.16
Reliance Prime Debt Fund - Growth Plan - Growth Option	5,36,413	5,36,413	5,36,413	25.62	24.34	22.62
Sbi Credit Risk fund - Regular- growth	-	-	28,16,336	-	-	89.29
HDFC Low Duration Fund - Direct Growth	15,90,086	15,90,086	-	79.17	75.65	-
HDFC Ultra Short Term Fund -Direct	42,31,052	42,31,052	-	52.52	50.52	-
Trust Banking & PSU fund	50,000	50,000	-	52.80	50.09	-
Kotak Equity Saving Fund - Growth (Regular Plan)	-	-	74,83,630	-	-	99.97
Franklin India Liquid Super Instl Gr	-	-	63,665	-	-	189.12
IDFC Arbitrage - Growth	-	-	1,48,14,627	-	-	365.57
SBI Overnight Fund - Growth	18,398	15,524	40,346	63.02	51.53	130.10
Total Investments at FVTPL- Current				**734.75**	**1,409.88**	**1,981.05**
Aggregate book value and market value of investment				734.75	1,409.88	1,981.05

Note 9
Other non-current financial assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated			
Security deposits	10.22	4.18	4.46
Term Deposits with maturity more than 12 months (Refer note i below)	7.82	4.07	6.66
Interest Accured but not due on deposits	0.39	0.46	-
Other Receivables			
Considered Good	6.53	19.01	42.98
Considered Doubtful	22.70	-	-
Less: Provision on other receivables (Refer note ii below)	(22.70)	-	-
Net other receivable	6.53	19.01	42.98
Total	**24.96**	**27.72**	**54.10**

Notes:
(i) Lodged as margin money against Bank Guarantees and other Commitments
(ii) Provision of ₹ 22.70 million is made for incentive receivable under Market Access Initiative Scheme (MAI Scheme)

Note- 10
Other non current assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated			
Capital advances	266.39	63.94	147.00
Total	**266.39**	**63.94**	**147.00**

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 11
Inventories

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
(At lower of Cost and Net Realizable Value)			
(a) Raw materials - Including Goods in transit	808.08	646.34	611.47
(as at 31 March 2022 ₹ 1.91 million, 31 March 2021 - Nil, 31 March 2020 - Nil)			
(b) Work-in-progress	901.80	683.20	391.20
(c) Finished goods - Including Goods in transit	102.71	103.44	50.89
(as at 31 March 2022 ₹ 42.80 million, 31 March 2021 ₹ 13.57 million, 31 March 2020 ₹ 7.08 million)			
(d) Fuel	7.27	3.35	3.04
(e) Stores & Spares	12.14	2.50	4.38
(f) Stock in Trade	119.17	97.25	51.33
Total	**1,951.17**	**1,536.08**	**1,112.31**

(i) Inventories are given as security for borrowings as disclosed under note 18(ii).
(ii) Inventory write down are accounted, considering the nature of inventory, ageing and net realisable value ₹ 14.14 million (March, 2021 ₹ 8.97 million, March, 2020 ₹ 4.01 million). The changes in write downs are recognised as an expense in the restated consolidated statement of Profit and loss.

Note 12
Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Unsecured, Considered good	2,321.74	1,775.17	1,835.05
Trade Receivables Credit Impaired	7.81	11.27	11.56
Less:- Allowance for doubtful trade receivables	7.81	11.27	11.56
Total	**2,321.74**	**1,775.17**	**1,835.05**

(i) The Company's exposure to credit and currency risk, and loss allowances are disclosed in Note 38.
(ii) Includes receivables from related parties [refer note 39(c)].
(iii) Trade Receivables are given as security for borrowings as disclosed under note 18(ii).

(i) **Movements in the expected credit loss allowance :**

Opening balance	11.27	11.56	8.14
Add / (less) : Provision made / (reversed) during the year	(3.46)	(0.29)	3.42
Closing balance	7.81	11.27	11.56

(ii) **Trade Receivables Ageing Schedule:**

Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022							
Undisputed Trade receivables – considered good	1,424.94	802.49	91.25	3.06	-	-	2,321.74
Undisputed Trade Receivables – credit impaired	-	-	-	0.58	0.52	6.71	7.81
As at 31 March 2021							
Undisputed Trade receivables – considered good	1,280.10	481.43	2.48	10.76	0.40	-	1,775.17
Undisputed Trade Receivables – credit impaired	-	-	-	1.27	3.02	6.98	11.27
As at 31 March 2020							
Undisputed Trade receivables – considered good	1,136.34	594.29	97.88	6.18	0.11	0.25	1,835.05
Undisputed Trade Receivables – credit impaired	-	-	-	-	3.42	8.14	11.56

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Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 13
Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents			
Cash on hand	0.12	0.16	0.12
Balance with Banks			
In Current accounts	6.55	51.23	23.96
In Exchange Earners' Foreign Currency (EEFC) account	-	0.05	-
Total cash and cash equivalents	**6.67**	**51.44**	**24.08**
Other bank balances			
Term Deposits with Maturity more than 3 months but less than 12 months (Refer note below)	882.65	556.76	1.78
Total other bank balance	**882.65**	**556.76**	**1.78**

(i) Out of total term deposits of ₹ 882.65 million, term deposits amounting to ₹ 10.15 million (as at 31 March 2021 ₹ 6.76 million and 31 March 2020 ₹ 1.78 million) are lodged as margin money against Bank Guarantees and other Commitments.

Note 14
Other financials assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated			
Current			
Subsidy receivable (Refer Note i below)	181.93	158.63	-
Interest Accrued but not due on deposits	21.22	14.67	0.46
Derivative financial instruments	4.98	0.02	9.21
Insurance claims	3.83	0.78	0.71
Security Deposit	4.81	6.99	2.65
Other Receivables	3.03	45.20	7.51
Total	**219.80**	**226.29**	**20.54**

(i) Company has been granted approval under Biotechnology Policy of Gujarat for incentive for new industrial undertaking. As such, the Company is eligible to get various incentive from GSBTM (Gujarat State Biotechnology Mission) for new API facility. The Company has availed / to avail various subsidies - Capital Subsidy ₹ 143.09 million for construction of new plant, Interest Subsidy ₹ 14.02 million for interest paid on term loan, Power Tariff Subsidy ₹ 10.65 million, Employment Generation Incentive ₹ 2.45 million and Electricity Duty ₹ 11.72 million.

Note 15
Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good unless otherwise stated			
Advance to suppliers	25.16	13.86	14.24
Balances with indirect tax authorities	73.62	316.87	230.33
Prepaid expenses	47.61	45.44	40.23
Income tax refund receivable	-	-	38.04
Export benefits receivable	62.71	138.91	86.92
Advances to employees	0.78	0.77	1.26
Total	**209.88**	**515.85**	**411.02**

Note 16
Equity Share Capital

Particulars	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number of shares	₹ in Millions	Number of shares	₹ in Millions	Number of shares	₹ in Millions
Authorised						
Equity shares of ₹ 10/- each (Refer Note 46)	1,00,00,000	100.00	1,00,00,000	100.00	1,00,00,000	100.00
	1,00,00,000	100.00	1,00,00,000	100.00	1,00,00,000	100.00
Issued, Subscribed and fully paid-up						
Equity shares of ₹ 10/- each (Refer Note 46)	95,10,564	95.11	95,10,564	95.11	95,10,564	95.11
Total	**95,10,564**	**95.11**	**95,10,564**	**95.11**	**95,10,564**	**95.11**

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

Particular	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Number of shares	₹ in Millions	Number of shares	₹ in Millions	Number of shares	₹ in Millions
As at the beginning of the year	95,10,564	95.11	95,10,564	95.11	95,10,564	95.11
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	**95,10,564**	**95.11**	**95,10,564**	**95.11**	**95,10,564**	**95.11**

(ii) Terms/rights attached to equity shares with voting rights
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The dividend propsed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting.

(iii) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Equity Shares of ₹ 10 each fully paid						
Mr. Sudhir Jairam Vaid	27,42,684	28.84%	27,42,684	28.84%	27,42,684	28.84%
Helix Investment Holdings Pte Limited, Singapore	19,02,332	20.00%	19,02,332	20.00%	19,02,332	20.00%
Mrs. Manju Sudhir Vaid	9,07,944	9.55%	9,07,944	9.55%	9,07,944	9.55%
Nishtha Jhunjhunwal Disc Trust	7,63,612	8.03%	7,63,612	8.03%	7,63,612	8.03%
Aryavir Jhunjhunwal Disc Trust	7,63,614	8.03%	7,63,614	8.03%	7,63,614	8.03%
Aryaman Jhunjhunwal Disc Trust	7,63,614	8.03%	7,63,614	8.03%	7,63,614	8.03%
M/s. Ontario Inc.	5,12,776	5.39%	5,12,776	5.39%	5,12,776	5.39%

(iv) Shares held by Promoters and Promoters Group at the end of the Year

Promoter name	As at 31 March 2022		As at 31 March 2021		% of Change during the year	As at 31 March 2020		% of Change during the year
	No. of Shares	% of total Shares	No. of Shares	% of total Shares		No. of Shares	% of total Shares	
Promoters								
Mr. Sudhir Jairam Vaid	27,42,684	28.84%	27,42,684	28.84%	-	27,42,684	28.84%	-
Mr. Ankur Sudhir Vaid	53,320	0.56%	53,320	0.56%	-	53,320	0.56%	-
Promoter Group								
Mrs. Manju Sudhir Vaid	9,07,944	9.55%	9,07,944	9.55%	-	9,07,944	9.55%	-
Mrs. Megha Vaid	49,728	0.52%	49,728	0.52%	-	49,728	0.52%	-
Mrs. Sonal Kumra	6,720	0.07%	5,720	0.06%	17.48%	5,720	0.06%	-
Sudman Consultants LLP	4,32,000	4.54%	4,32,000	4.54%	-	4,32,000	4.54%	-

(v) There are no Equity Shares issued as fully paid-up pursuant to any contract in consideration of other than cash or bonus shares or bought back during the preceding five years.

Note 17
Other Equity

Balance	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Reserve and Surplus			
Retained Earnings	9,815.72	8,777.22	6,485.83
General Reserve	292.18	292.18	292.18
Securities premium	829.22	829.22	829.22
Total	**10,937.12**	**9,898.62**	**7,607.23**

Nature and purpose of reserves:
(i) General reserve:
The general reserve is used from time to time to transfer profits from retained earnings for propriation purposes. There is no policy of regular transfer. Items included under General Reserve shall not be reclassified back into the Statement of Profit and Loss .

(ii) Retained Earning:
Retaned Earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends and other distributions to shareholder.

(iii) Securities Premium:
This reserves represents Security Premium received at the time of issuance of Equity Shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Note 18
Borrowings

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Non-current			
Secured			
Term Loan	562.48	812.50	480.28
Less: Current maturities of long term borrowings	(250.00)	(250.00)	(125.00)
Total (a)	**312.48**	**562.50**	**355.28**
Current			
Secured			
Cash Credit Facility	43.38	50.99	-
Current maturities of long term borrowings	250.00	250.00	125.00
Total (b)	**293.38**	**300.99**	**125.00**
Total (a+b)	**605.86**	**863.49**	**480.28**

Note :

(i) The Company has availed Term Loan from State Bank of India. Term Loan of ₹ 1000 million (outstanding amounting as at 31 March 2022 ₹ 562.48 million, as at 31 March 2021 ₹ 812.50 million and as at 31 March 2020 ₹ 480.28 million) is secured by first charge on Factory Land & Building and Plant & Machinery of Unit-III at Limbasi, Dist. Kheda, (Survey No. 666,667,668 and 84 at Village Malavada and Survey No. 94A,94B,119,120,126,135 and 136 at Ranasar) and charge on the same has been created. Interest rate is 3 months MCLR + 0.20% p.a and loan is repayable in 16 quarterly instalments of ₹ 62.5 million each starting from October,2020.

(ii) Short term Borrowings from banks are in nature of working capital facilities which are secured by first pari passu charge on entire current assets of the Company. Interest rate is MCLR + 0.05% and this borrowing is repayable on demand.

(iii) The Company has Fund-based and Non-fund-based limits of Working Capital from Banks. For the said facility, the revised submissions made by the Company to its bankers based on closure of books of accounts at the year end, the revised quarterly returns or statements comprising stock statements, book debt statements, statements on ageing analysis of the debtors, and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

Note 19
Provisions

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Non-current			
Provision for Compensated Absences	18.74	20.98	15.94
Total	**18.74**	**20.98**	**15.94**
Current			
Provision for Compensated Absences	8.13	4.39	1.07
Provision for Gratuity (Refer note 36)	9.35	2.21	1.77
Total	**17.48**	**6.60**	**2.84**

Note 20
Income taxes

The major component of income tax expense for the years ended 31 March 2022, 31 March 2021 and 31 March 2020 are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Statement of Profit and Loss			
Current income tax	584.90	757.20	544.70
Deferred tax expense	37.05	23.39	(100.02)
Short / (excess) provision related to earlier years	3.94	(2.26)	0.58
Income tax expense in the Statement of Profit and Loss	**625.89**	**778.33**	**445.26**
Statement to Other comprehensive income (OCI)			
Tax expense related to items recognised in OCI during the year	(1.88)	(0.14)	(1.07)
Income tax credit recognised in OCI	**(1.88)**	**(0.14)**	**(1.07)**

(A) Reconciliation of tax expense and the accounting profit multiplied by domestic tax ratefor:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	**2,375.18**	**3,127.20**	**2,136.38**
Tax Rate	25.168%	25.168%	25.168%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	597.78	787.05	537.69
Adjustment			
Tax impact in income charged under capital gain	(4.68)	(5.62)	(35.20)
(Excess) / Short tax provision related to earlier year	3.94	(2.26)	0.58
Expenditure not deductible under tax	20.47	9.64	6.55
Changes in temporary differences of earlier years	6.77	(10.79)	6.73
Changes in effective tax rate	-	-	(71.09)
Others	1.61	0.31	-
Total income tax expense	**625.89**	**778.33**	**445.26**
Effective tax rate (in %)	26.35	24.89	20.84

(B) Deferred tax

The Company has accrued significant amounts of deferred tax. Significant components of Deferred tax (assets) & liabilities recognized in the restated consolidated consolidated financial information of the Company as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities			
Property, plant and equipment and intangible assets	213.48	179.86	142.40
Fair Valuation of Investments	15.70	0.54	14.81
Leases	-	0.12	-
Total	**229.18**	**180.52**	**157.21**
Deferred tax assets			
Employee benefit obligations	8.80	4.20	2.91
Allowances for doubtful debts & other receivables	7.68	1.11	0.86
Other disallowable expenses	1.63	0.68	0.06
Leases	1.36	-	2.09
Total	**19.47**	**5.99**	**5.92**
Deferred Tax liabilities Net	**209.71**	**174.53**	**151.29**

Movement of deferred tax liabilities / (assets) during the year:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Deferred tax liabilities / (assets) in relation to:			
Property, plant and equipment and intangible assets	33.62	37.46	(59.61)
Fair Valuation of Investments	15.16	(14.27)	(44.14)
Leases	(1.48)	2.21	(0.34)
Employee benefit obligations	(4.60)	(1.29)	(0.49)
Allowances for doubtful debts & other receivables	(6.57)	(0.25)	1.19
Long term loss carried forward	-	-	2.36
Other disallowable expenses	(0.96)	(0.61)	(0.06)
Deferred tax expense	**35.17**	**23.25**	**(101.09)**

(i) There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. Refer note 34 (ii) .

(ii) The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

(iii) The Tax rate used for Financial Year 2021-22, 2020-21 and 2019-20, in reconciliation above is the corporate tax rate of 25.168% payable by corporate entity in India on taxable profits under the Indian Tax Law.

(C) Non-Current tax asset / (Current tax Liabilities)

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Provision for Income Tax	(1,890.74)	(1,301.90)	(1,099.70)
Advance payment of Tax	1,926.78	1,318.93	1,081.88
Net Non-Current tax asset / (Current tax Liabilities)	**36.04**	**17.03**	**(17.82)**

Note 21
Trade Payables

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Due to micro and small enterprise ('MSME') (Refer note 42)	89.68	83.29	66.69
Due to others	741.38	380.68	645.64
Total	**831.06**	**463.97**	**712.33**

(a) Trade payable ageing Schedule :

Particulars	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	Total
As at March 31, 2022						
(i) MSME	43.33	43.23	2.73	0.33	0.06	89.68
(ii) Others	273.16	399.94	40.01	17.38	10.89	741.38
As at March 31, 2021						
(i) MSME	13.12	69.83	0.33	-	0.01	83.29
(ii) Others	208.73	144.96	15.91	10.01	1.07	380.68
As at March 31, 2020						
(i) MSME	34.70	31.94	0.04	-	0.01	66.69
(ii) Others	156.23	451.95	21.72	14.52	1.22	645.64

Note 22
Other financial liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Interest accrued but not due on borrowings	3.63	5.08	-
Payables for employee benefits	88.46	74.25	61.08
Security Deposits	1.00	1.00	1.00
Derivative financial instruments	0.32	0.24	0.09
Payable on purchase of Fixed Assets	122.99	147.63	10.84
Total	**216.40**	**228.20**	**73.01**

Note 23
Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Payable to Statutory and other authorities	21.88	16.45	11.69
Advance from customers	122.80	28.17	197.35
Deferred Income [Refer note 8 (a) (i)]	32.72	-	-
Total	**177.40**	**44.62**	**209.04**

Note 24
Revenue From Operations

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Sale of products - (Refer Note Below)	7,039.86	6,024.18	4,981.80
Sale of Services	44.54	16.35	-
	7,084.40	**6,040.53**	**4,981.80**
Other Operating Income			
Export benefits	44.93	128.90	141.49
	44.93	**128.90**	**141.49**
Total	**7,129.33**	**6,169.43**	**5,123.29**

(a) Disaggregate revenues from contracts with customers based on geography:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Domestic	3,374.13	2,526.53	2,615.64
Export	3,755.20	3,642.90	2,507.65
Total	**7,129.33**	**6,169.43**	**5,123.29**

(b) Disaggregate revenues from contracts with customers based on products:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
API	5,749.07	5,068.78	4,694.53
Formulations	1,380.26	1,100.65	428.76
Total	**7,129.33**	**6,169.43**	**5,123.29**

(c) Reconciliation of Revenue from operations with contract price:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Contract Price	7,260.55	6,309.12	5,264.90
Less : Adjustment made to contract price on account of:			
Sales Return	(130.38)	(119.59)	(102.72)
Others - rate difference	(0.84)	(20.10)	(38.89)
Total	**7,129.33**	**6,169.43**	**5,123.29**

Note 25
Other Income

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest income			
From Bank	47.87	15.73	0.41
On income tax Refund	-	2.14	0.35
Net gain on sale of investments	50.94	67.70	234.01
Net gain on FV of investments in mutual fund	1.36	2.16	-
Net foreign exchange gain	63.59	15.51	73.57
Subsidy income	54.18	1.42	-
Insurance claim Received	3.03	0.03	0.04
Miscellaneous income	9.73	11.25	2.85
Gain on sale of Property, plant & equipment	-	-	0.52
Excess provision no longer required written back	-	21.84	0.87
Reversal / (Provision) of doubtful debts, net	3.46	0.29	-
Total	**234.16**	**138.07**	**312.62**

Note 26
Cost of materials consumed

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Opening Stock	646.34	611.47	420.15
Add: Purchases	1,734.31	1,346.55	1,431.42
	2,380.65	**1,958.02**	**1,851.57**
Less: Closing stock	808.08	646.34	611.47
Total	**1,572.57**	**1,311.68**	**1,240.10**

Note 27
Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Opening stock			
Finished goods	103.44	50.89	21.27
Stock-in-trade	97.25	51.33	51.99
Work-in-progress	683.20	391.20	371.65
	883.89	**493.42**	**444.91**
Less : Closing stock			
Finished goods	102.71	103.44	50.89
Stock-in-trade	119.17	97.25	51.33
Work-in-progress	901.80	683.20	391.20
	1,123.68	**883.89**	**493.42**
Net (increase) in stock	**(239.79)**	**(390.47)**	**(48.51)**

Note 28
Employee benefits expense

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Salaries, wages and bonus	884.05	644.37	574.35
Contribution to provident and other funds	57.24	38.96	36.42
Staff welfare expenses	15.65	11.36	11.67
Total	**956.94**	**694.69**	**622.44**

Note 29
Finance costs

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Interest expense on borrowings	51.70	2.67	2.11
Interest expense on lease liabilities (Refer Note 7)	3.14	3.99	4.88
Total	**54.84**	**6.66**	**6.99**

Note 30
Depreciation and amortization

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Depreciation for the year on tangible assets (Refer Note 5)	455.57	232.23	200.53
Amortization for the year on intangible assets (Refer Note 6)	33.95	32.58	1.57
Amortization for the year on right of use assets (Refer Note 7)	10.98	10.42	10.35
Total	**500.50**	**275.23**	**212.45**

Note 31
Other expenses

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Power & Fuel Consumed	716.45	398.57	373.04
Consumption of stores and spare parts	91.92	76.17	75.18
Laboratory Charges & Testing Expenses	185.66	132.12	110.18
Repairs & Maintenance	79.08	53.72	81.44
Royalty Expenses	47.20	11.42	-
Rent Expense (Refer Note 7)	0.02	0.04	0.02
Rates & Taxes	50.07	48.75	37.03
Insurance Expense	25.74	17.41	9.41
Bank Charges	6.51	3.81	4.69
Travelling and conveyance	75.40	51.37	55.43
Communication, IT and Stationery Expenses	21.93	13.11	16.07
Payment to Auditors (Refer Note-33)	2.81	1.10	1.10
Legal & Professional Fees	55.33	39.32	36.43
Directors Sitting Fee	0.48	0.40	0.32
Selling, Distribution and Advertisement Expenses	214.36	133.63	156.03
Loss on sale of Property, plant & equipment	0.34	-	-
Bad Debt written off	-	4.88	1.74
Export benefits receivables written off	64.54	-	-
Provision against other receivables	22.70	-	-
Provision for Doubtful Debt	-	-	3.42
Loss on Fair Market value of Investments	-	-	109.85
Corporate Social Responsibilies Expense (Refer Note-35)	44.95	33.37	28.70
Miscellaneous Expenses	94.05	64.37	59.69
Total	**1,799.54**	**1,083.56**	**1,159.77**

Note 32
Earnings per share (EPS)

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Basic and Diluted EPS			
(A) Net profit after tax before other comprehensive income as per restated consolidated statement of profit and loss (₹ in million) (A)	1,749.29	2,348.87	1,691.12
(B) Weighted average number of equity shares considered after split of shares into ₹ 1 each (Refer Note 46)	9,51,05,640	9,51,05,640	9,51,05,640
(C) Bonus shares issued subsequent to 31 March 2022 (Refer Note 46)	95,10,564	95,10,564	95,10,564
(D) Weighted average number of equity shares considered for calculation of EPS (B + C)	10,46,16,204	10,46,16,204	10,46,16,204
(E) Basic and Diluted Earning Per Share (₹) (A/D)	16.72	22.45	16.17
(F) Nominal Value of equity share (₹)	1.00	1.00	1.00

Note 33
Payment to Auditors

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Audit fees	1.40	1.10	1.10
Certification fees	0.96	-	0.20
Other fees	0.45	-	-
Total	**2.81**	**1.10**	**1.30**

Note 34
(a) Commitments and Contingencies

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for in respect of the Tangible Assets (Net of Advances)	783.85	226.78	899.66
	783.85	**226.78**	**899.66**

(b) Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Claims against the company / disputed liabilities not acknowledged as debts:			
Disputed demand of Excise duty for which an appeal has been preferred	37.64	37.94	37.94
- The Company has preferred Appeal to ITAT against order received from Assessing officer in respect of short payment of Excise duty, non reversal of input credit			
Disputed demand of Income Tax in which company has preferred Appeal or filed rectification with Department :	95.55	0.94	0.94
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of additional depreciation in A.Y. 2013-14			
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of dPenalty imposed u/s 271(1)(C) in A.Y. 2015-16 & 2016-17			
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of Purchase of Raw Material in A.Y. 2016-17			
- The Company has preferred Appeal to CIT(A) against order received from Assessing officer in respect of disallowance of u/s 35(2)(AB) and Rule 8D r.w.s 14A in A.Y. 2018-19			
- The Company has filed rectification with Assessing officer against intimation received from CPC regarding payment of Dividend Distribution Tax for A.Y. 2020-21			
Total	**133.19**	**38.88**	**38.88**

Notes:
(i) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending litigations of the respective proceedings.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations. These demands are with respect to income tax matters for which appeals have been filed.

Note 35
Corporate Social responsibilities

Amount spent towards CSR activities during the year are as follows:

Particulars	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**
(i) amount required to be spent by the company during the year,	44.80	33.27	29.99
(ii) amount of expenditure incurred,	44.95	33.37	28.70
(iii) (shortfall) / excess at the end of the year,	0.15	0.10	(1.29)
(iv) total of previous years shortfall,	-	-	-
(v) reason for shortfall,	NA	NA	Refer Note (ix)
(vi) nature of CSR activities,	Medical, Educational, Environmental sustainability, Promoting sports, Social, Rural Development	Medical, Educational, Environmental sustainability, Promoting sports	Medical, Educational, Environmental sustainability, Promoting sports
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA	NA

(ix) The shortfall in the amount to be spent was on account of delay in implemention of new project in two villages for education support.

Note 36
Employee Benefit Plans

A) Defined contribution plans:

The Company makes contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 38.59 million (31 March 2021 ₹ 28.27 million, 31 March 2020 ₹ 25.64 million) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme.

B) Defined benefit plans:

The company makes annual contributions to the Employee's Group Gratuity cash accumulation scheme of the LIC, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment as per the provisions of the Gratuity Act, 1972. Vesting occurs on completion of 5 years of service. The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit Method as per actuarial valuation carried out at the balance sheet date.

Characteristics of Defined Benefit Plans and risk associated with them:

Valuation of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework, which may vary over time. Thus, Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation)

(ii) Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan particulars in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

The following table sets out the status of the gratuity plan as required under IND AS-19 and the amounts recognized in the Company's financial statements .

Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
i. Reconciliation of Opening and Closing Balances of defined benefit obligation			
Liability at the beginning of the Year	49.39	39.18	27.66
Current Service Cost	10.74	8.50	6.17
Interest Cost	3.43	2.67	2.15
Benefit paid	(1.67)	(0.90)	(0.40)
Net Actuarial losses/ (gain) Recognized	7.09	(0.06)	3.60
Liability at the end of the Year	68.98	49.39	39.18

ii. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Plan assets at the beginning of the Year, at Fair value	47.18	37.40	28.36
Expected return on plan assets	3.28	2.55	2.20
Contributions	11.22	8.75	7.90
Benefits paid	(1.68)	(0.90)	(0.40)
Actuarial gain/(loss) on plan assets	(0.37)	(0.62)	(0.65)
Plan assets at the end of the Year, at Fair Value	59.63	47.18	37.41

iii. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Obligations at the end of the Year	68.98	49.39	39.18
Plan assets at the end of the Year, at Fair value	59.63	47.18	37.41
Liability recognized in balance sheet at the end of the Year	9.35	2.21	1.77

iv. Expense recognised in the statement of profit and loss for the year	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**
Current Service Cost	10.74	8.50	6.17
Interest Cost	3.43	2.67	2.15
Expected returns on plan assets	(3.28)	(2.55)	(2.20)
Total	10.89	8.62	6.12

v. Expense recognised in the other comprehensive income for the year	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**
Acturial (gain)/loss on obligation for the period	7.09	(0.06)	3.60
Return on planned asset, excluding Interest Income	0.37	0.62	0.65
Total	7.46	0.56	4.25

vi. Actuarial Assumptions	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Discount Rate (per annum)	6.90%	6.95%	6.82%
Expected rate of return on plan assets	6.90%	6.95%	6.82%
Salary Escalation	9.00%	7.00%	7.00%
Attrition Rate	10.00%	2.00%	2.00%
Weighted average duration of defined benefit obligation	7 Years	13 Years	14 Years
Retirement Age	58 Years	60 Years	60 Years
Mortality Tables	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

* The discount rate is based on the prevailing market yields of government of India securities as at the balance sheet date for the estimated term of the obligations.
**Expected rate of return on plan assets is determined based on the nature of assets and prevailing economic scenario.
*** The estimate of future salary increases considered, takes into account inflation, seniority, promotion, increments and other relevant factors.

vii. Sensitivity Analysis for each significant actuarial assumption
The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Projected Benefit Obligation on Current Assumptions	**68.98**	**49.39**	**39.18**
Impact of increase in discount rate by 1 %	(3.93)	(5.22)	(4.24)
Impact of decrease in discount rate by 1 %	4.42	6.22	5.06
Impact of increase in salary escalation rate by 1 %	4.03	5.75	4.72
Impact of decrease in salary escalation rate by 1 %	(3.68)	(4.97)	(4.06)
Impact of increase in employee turnover rate by 1 %	0.65	(0.12)	(0.20)
Impact of decrease in employee turnover rate by 1 %	0.70	0.10	0.19

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occu in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

viii. Investment details of plan assets:
The plan assets are managed by Insurance Company viz Life Insurance Corporation of India who has invested the funds substantially as under:

	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2020**
Insurance Fund - investment in LIC policy	59.63	47.18	37.40
Total	59.63	47.18	37.40

ix. Maturity Profile

	As at 31 March 2022	**As at 31 March 2021**	**As at 31 March 2020**
1st Following Year	8.73	3.05	2.76
2nd Following Year	5.88	1.05	0.75
3rd Following Year	7.25	1.31	1.34
4th Following Year	8.29	2.32	1.09
5th Following Year	6.52	1.91	1.99
Sum of Years 6 to 10	30.60	20.56	13.70
Sum of Years 11 and above	48.55	102.20	83.96

x. Expected contribution during the next annual reporting period
The company's best expected contribution during the next year is₹ 21.60 million.

C) Compensated absences:
Actuarial Valuation for Compensated Absences is done as at the year end and the provision is made based on leave balances derived as per Company rules with corresponding charge to the Restated Statement of Profit and Loss amounting to ₹ 4.90 million (31 March 2021 ₹ 10.02 million, 31 March 2020 ₹ 5.48 million) and it covers all regular employees. Major drivers in actuarial assumptions, typically, are years of service and employee compensation.

Note 37

The Company has taken various derivatives to hedge its risk associated with foreign exchange fluctuations. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets. Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes are entered,which are available at the settlement date of certain payables and receivables.

Nature	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Amount (in Million)	Amount (₹ in Million)	Amount (in Million)	Amount (₹ in Million)	Amount (in Million)	Amount (₹ in Million)
Hedging of Trade Receivables						
Forward Contracts	USD 8.04	609.37	USD 3.60	264.30	USD 3.85	283.21

The details of foreign currency exposures not hedged by derivative instruments are as under:

Nature	As at 31 March 2022		As at 31 March 2021		As at 31 March 2020	
	Amount (in Million)	Amount (₹ in Million)	Amount (in Million)	Amount (₹ in Million)	Amount (in Million)	Amount (₹ in Million)
Trade Receivables	USD 4.71	357.25	USD 6.73	514.49	USD 4.74	367.02
	EURO 0.64	53.55	EURO 0.52	44.97	EURO 0.30	24.49
	JPY 231.00	143.57	JPY 113.30	74.91	JPY 77.33	53.85
Bank Balances			USD 0.00	0.05	-	-
Trade Payables	USD 2.34	177.35	USD 0.82	60.23	USD 4.85	367.30
			EURO 0.00	0.34	EURO 0.00	0.40

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 38
Financial Instrument
(i) Financial assets and liabilities
Categories of Financial instruments

Particulars	As at 31 March 2022 Fair Value	As at 31 March 2021 Fair Value	As at 31 March 2020 Fair Value
Financial Assets :			
Amortised cost			
Cash and Cash equivalents	6.67	51.44	24.08
Term deposits other than cash and cash equivalent	882.65	556.76	1.78
Trade receivables	2,321.74	1,775.17	1,835.05
Others	239.77	254.00	65.42
Fair value through profit or loss			
Non-current Investment - Investments in Mutual Funds	2.56	-	-
Current Investment - Investments in Mutual Funds	734.75	1,409.88	1,981.05
Derivative instruments	4.98	0.02	9.21
Total	**4,193.12**	**4,047.27**	**3,916.59**
Financial Liabilities :			
Amortised cost			
Borrowings (including current maturities)	605.86	863.49	480.28
Trade payables	831.06	463.97	712.33
Other Financial Liabilities	216.08	227.96	72.92
Lease Liabilities	19.07	29.35	40.26
Fair value through profit or loss			
Derivative instruments	0.32	0.24	0.09
Total	**1,672.39**	**1,585.01**	**1,305.88**

(ii) Fair value hierarchy :

The fair values of the financial assets and liabilities are determined based on the price that would be received to sell an asset or paid to transfer a liability at the reporting date considering the fair value hierarchy as under:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Fair value hirerachy
The following tables categorise the financial assets and liabilities held at fair value by the valuation methodology applied in determining their fair value.

As at 31 March 2022	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investment in Mutual Funds	737.31	-	-	737.31
Derivative financial assets	-	4.98	-	4.98
Financial liability:				
Derivative financial liability	-	0.32	-	0.32
Total	**737.31**	**5.30**	**-**	**742.61**

As at 31 March 2021	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investment Mutual Funds	1,409.88	-	-	1,409.88
Derivative financial assets	-	0.02	-	0.02
Financial liability:				
Derivative financial liability	-	0.24	-	0.24
Total	**1,409.88**	**0.26**	**-**	**1,410.14**

As at 31 March 2020	Level 1	Level 2	Level 3	Total
Financial Assets :				
Investment Mutual Funds	1,981.05	-	-	1,981.05
Derivative financial assets	-	9.21	-	9.21
Total	**1,981.05**	**9.21**	**-**	**1,990.26**
Financial liability:				
Derivative financial liability	-	0.09	-	0.09
Total	**-**	**0.09**	**-**	**0.09**

Determination of fair values:

Basis of assumptions used to estimate the fair value of financial assets and liabilities that are measured at fair value on recurring basis :

Investment in Mutual Funds: The fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors.

Derivative instruments: For forward contracts,future cashflows are estimated based on forward exchange rates and forward interest rates (from observable forward exchange rates / yield curves at the end of the reporting period) and contract forward exchange rates and forward interest rates, discounted at a rate that reflects the credit risk of various conterparties.

(iii) Financial Risk Management

The Company and its joint venture's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company and its joint venture's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company and its joint venturethrough established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

A. Market Risk :
Market risk refers to the possibility that changes in the market rates may have impact on the Company and its joint venture's profits or the value of its holding of financial instruments. The Company and its joint ventureis exposed to market risks on account of foreign exchange rates, interest rates and underlying equity prices.

A1. Foreign currency exchange rate risk :
The Company and its joint venture's foreign currency risk arises from its foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The major foreign currency exposures for the Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures. The Company hedges some trade receivables and future cash flows upto a maximum of 6 months forward based on historical trends, budgets and monthly sales estimates.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

As at 31 March 2022	US Dollars	Others*	Total
Assets :			
Trade and other receivables	966.62	197.12	1,163.74
Total	**966.62**	**197.12**	**1,163.74**
Liabilities :			
Trade and other payables	177.35	-	177.35
Total	**177.35**	**-**	**177.35**
Net Balance (Assets - Liabilities)	**789.27**	**197.12**	**986.39**

As at 31 March 2021	US Dollars	Others*	Total
Assets :			
Cash and cash equivalents	0.05	-	0.05
Trade and other receivables	778.79	119.88	898.67
Total	**778.84**	**119.88**	**898.72**
	US Dollars	**Others***	**Total**
Liabilities :			
Trade and other payables	60.23	0.34	60.57
Total	**60.23**	**0.34**	**60.57**
Net Balance (Assets - Liabilities)	**718.61**	**119.54**	**838.15**

As at 31 March 2020	US Dollars	Others*	Total
Assets :			
Trade and other receivables	650.23	78.34	728.57
Total	**650.23**	**78.34**	**728.57**
Liabilities :			
Trade and other payables	367.30	0.40	367.69
Total	**367.30**	**0.40**	**367.69**
Net Balance (Assets - Liabilities)	**282.93**	**77.94**	**360.86**

*Others mainly includes currencies namely Euro and Japanese Yen.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit after tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Changes in USD rate	Effect on profit and loss
31 March 2022	+2%	11.81
	-2%	(11.81)
31 March 2021	+2%	10.76
	-2%	(10.76)
31 March 2020	+2%	4.23
	-2%	(4.23)

A2. Interest rate risk :

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of ₹ 562.48 million. There is no interest rate risks associated with term loan and hence interest rate sensitivity has not been performed.

Interest rate risk Analysis
Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, the Company has outstanding borrowing of ₹ 562.48 million. The following table demostrates the sensitivity to a reasonable possible change on interest rates on that postion of borrowing afffected. with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate of borrowing as follows:

Particulars	Effect on Profit before tax		
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020
Increase by 50 basis points	(2.81)	(4.06)	(2.40)
Decrease by 50 basis points	2.81	4.06	2.40

B. Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables and derivative financial instruments.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables. The maximum exposure to credit risk as at reporting date is from trade receivables amounting to ₹ 7.81 million (31 March 2021: ₹ 11.27 million, 31 March 2020: ₹ 11.56 million). The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for Impairment	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Opening Balance	11.27	11.56	8.14
Add: Impairment Loss (reversed) / recognised (Net)	(3.46)	(0.29)	3.42
Closing Balance	7.81	11.27	11.56

Receivable from customers more than 10 percent of the Company's total trade receivables as at 31 March 2022 amounting to ₹ 258.56 nillion (31 March 2021 ₹ 282.21 million, 31 March 2020 ₹ 704.16 million).

C. Liquidity Risk :

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

As at 31 March 2022	**Due in Year 0 to 1**	**Due in Year 1 to 2**	**Due in Year 2 to 5**	**Due after Year 5**	**Total**
Trade payables	831.06	-	-	-	831.06
Borrowings	293.38	250.00	62.48	-	605.86
Other financial Liabilities	216.40	-	-	-	216.40
Lease Liabilities	15.96	1.47	1.64	-	19.07
Total	**1,356.80**	**251.47**	**64.12**	**-**	**1,672.39**

As at 31 March 2021	**Due in Year 0 to 1**	**Due in Year 1 to 2**	**Due in Year 2 to 5**	**Due after Year 5**	**Total**
Trade payables	463.97	-	-	-	463.97
Borrowings	300.99	250.00	312.50	-	863.49
Other financial Liabilities	228.20	-	-	-	228.20
Lease Liabilities	13.01	15.39	0.94	-	29.34
Total	**1,006.17**	**265.39**	**313.44**	**-**	**1,585.00**

As at 31 March 2020	**Due in Year 0 to 1**	**Due in Year 1 to 2**	**Due in Year 2 to 5**	**Due after Year 5**	**Total**
Trade payables	712.33	-	-	-	712.33
Borrowings	125.00	355.28	-	-	480.28
Other financial Liabilities	73.01	-	-	-	73.01
Lease Liabilities	10.91	28.41	0.94	-	40.26
Total	**921.25**	**383.69**	**0.94**	**-**	**1,305.88**

(iv). Capital Management

The capital structure of the Company consists of equity and debt. The Company's objective for capital management is to maintain the capital structure which will support the Company's strategy to maximize shareholder's value, safeguarding the business continuity and help in supporting the growth of the Company.

The Company monitors capital using gearing ratio, which is net debt (total debt less cash and bank balance) divided by total capital plus net debt.

Gearing Ratio

Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2020**
Total borrowings (refer note 18)	605.86	863.49	480.28
Less: Cash & Bank Balances (refer note 13)	6.67	51.44	24.08
Net Debt (A)	**599.19**	**812.05**	**456.21**
Total Equity (B)	11,032.23	9,993.73	7,702.34
Total Equity & Net Debt (C = A+B)	**11,631.41**	**10,805.78**	**8,158.54**
Gearing Ratio (D=A/C)	**5.15%**	**7.51%**	**5.59%**

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Note 39
Related party transactions

(a) List of related parties and relationship

Key Management Personnel	Mr. Sudhir Vaid, Chairman & Managing Director	Mr. Amitabh Thakore, Independent Director
	Mr. Ankur Vaid, Joint Managing Director & CEO	Mrs. Bharti Khanna, Independent Director
	Mr. Utpal Sheth, Non-executive Director	Mr. Anil Katyal, Independent Director
	Mr. Amit Varma, Non-executive Director	Mr. Rajeev Agrawal, Independent Director (Upto 30 May 2022)
	Mr. Rajiv Ambrish Agarwal, Non-executive Director	Mr. Arvind Agarwal, Independent Director (W.e.f 24 May 2022)
	Mr. Ravi Kapoor, Non-executive Director	Mr. Jayaram Easwaran, Independent Director (W.e.f. 14 June 2022)
	Mr. Lalit Sethi, Chief Financial Officer (W.e.f. 14 March 2022)	Mr. Mandayam Chakravarthy Sriraman, Independent Director (W.e.f. 14 June 2022)
	Mr. Prakash Sajnani, Sr. GM - Finance & Company Secretary	
Relative of Key management personnel:	Mrs. Manju Vaid	Mrs. Megha Vaid
	Col.S.K.Vaid	Mrs. Sonal Kumra
Enterprises controlled by / under significantly influenced by Directors and/or their relatives:	Sudman Consultants LLP	Ravi Kapoor & Associates
Joint Venture	Concord Biotech Japan K.K.	

(b) Transaction with related parties

Value of Transactions	**Key Management Personnel**			**Relatives of Key Management Personnel**			**Joint Venture**			**Enterprises controlled by / under significantly influenced by Directors and/or their relatives**			**Total**		
	Year Ended 31 March 2022	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**	**Year Ended 31 March 2022**	**Year Ended 31 March 2021**	**Year Ended 31 March 2020**
Remuneration Paid:															
Mr. Sudhir Vaid	40.13	40.13	40.13	-	-	-	-	-	-	-	-	-	40.13	40.13	40.13
Mr. Ankur Vaid	16.13	12.10	8.39	-	-		-	-	-	-	-	-	16.13	12.10	8.39
Mrs. Megha Vaid	-	-	-	4.73	3.88	3.37	-	-	-	-	-	-	4.73	3.88	3.37
Mrs. Sonal Kumra	-	-	-	5.23	4.11	3.43	-	-	-	-	-	-	5.23	4.11	3.43
Mr. Lalit Sethi	0.26	-	-	-	-	-	-	-	-	-	-	-	0.26	-	-
Mr. Prakash Sajnani	3.60	2.84	2.57	-	-	-	-	-	-	-	-	-	3.60	2.84	2.57
Total	**60.12**	**55.07**	**51.09**	**9.96**	**7.99**	**6.80**	**-**	**-**	**-**	**-**	**-**	**-**	**70.08**	**63.06**	**57.89**
Professional Fees:															
Ravi Kapoor & Associates	-	-	-	-	-		-	-	-	2.48	2.20	2.20	2.48	2.20	2.20
Col. S. K. Vaid	-	-	-	4.23	3.47	3.15	-	-	-	-	-		4.23	3.47	3.15
Total	**-**	**-**	**-**	**4.23**	**3.47**	**3.15**	**-**	**-**	**-**	**2.48**	**2.20**	**2.20**	**6.71**	**5.67**	**5.35**
Rent paid:															
Mr. Sudhir Vaid	11.36	10.62	9.93	-	-	-	-	-	-	-	-	-	11.36	10.62	9.93
Mrs. Manju Vaid	-	-	-	3.65	3.41	3.19	-	-	-	-	-	-	3.65	3.41	3.19
Total	**11.36**	**10.62**	**9.93**	**3.65**	**3.41**	**3.19**	**-**	**-**	**-**	**-**	**-**	**-**	**15.01**	**14.03**	**13.12**
Director Sitting Fees:															
Mr. Ravi Kapoor	0.08	0.08	0.08	-	-	-	-	-	-	-	-	-	0.08	0.08	0.08
Mr. Utpal Sheth	0.08	0.06	0.04	-	-	-	-	-	-	-	-	-	0.08	0.06	0.04
Mr. Rajiv Agarwal	0.08	0.08	0.04	-	-	-	-	-	-	-	-	-	0.08	0.08	0.04
Mr. Amitabh Thakore	0.08	0.08	0.08	-	-	-	-	-	-	-	-	-	0.08	0.08	0.08
Mr. Rajeev Agrawal	0.08	0.02	0.04	-	-	-	-	-	-	-	-	-	0.08	0.02	0.04
Mrs. Bharti Khanna	0.06	0.02	0.02	-	-	-	-	-	-	-	-	-	0.06	0.02	0.02
Mr. Anil Katyal	0.02	0.06	0.02	-	-	-	-	-	-	-	-	-	0.02	0.06	0.02
Total	**0.48**	**0.40**	**0.32**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.48**	**0.40**	**0.32**

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)

Value of Transactions	Key Management Personnel			Relatives of Key Management Personnel			Joint Venture			Enterprises controlled by / under significantly influenced by Directors and/or their relatives			Total		
	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Dividend Paid:															
Mr. Sudhir Vaid	203.37	16.46	192.67	-	-	-	-	-	-	-	-	-	203.37	16.46	192.67
Mrs. Manju Vaid	-	-	-	67.32	5.45	63.78	-	-	-	-	-	-	67.32	5.45	63.78
Mr. Ankur Vaid	3.95	0.32	3.75	-	-	-	-	-	-	-	-	-	3.95	0.32	3.75
Mrs. Megha Vaid	-	-	-	3.69	0.30	3.49	-	-	-	-	-	-	3.69	0.30	3.49
Mrs. Sonal Kumra	-	-	-	0.50	0.03	0.40	-	-	-	-	-	-	0.50	0.03	0.40
Mr. Ravi Kapoor	1.48	0.12	1.41	-	-	-	-	-	-	-	-	-	1.48	0.12	1.41
Mr. Prakash Sajnani	0.15	0.01	0.14	-	-	-	-	-	-	-	-	-	0.15	0.01	0.14
Sudman Consultants LLP	-	-	-	-	-	-	-	-	-	32.03	2.59	30.35	32.03	2.59	30.35
Total	**208.95**	**16.91**	**197.97**	**71.51**	**5.78**	**67.67**	**-**	**-**	**-**	**32.03**	**2.59**	**30.35**	**312.49**	**25.28**	**295.99**
Sale of Products:															
Concord Biotech Japan K.K.	-	-	-	-	-	-	462.03	290.26	197.25	-	-	-	462.03	290.26	197.25
Total	-	-	-	-	-	-	462.03	290.26	197.25	-	-	-	462.03	290.26	197.25

(c) Outstanding Balances with related parties

Balances outstanding	Key Management Personnel			Relatives of Key Management Personnel			Joint Venture			Enterprises controlled by / under significantly influenced by Directors and/or their relatives			Total		
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
Payables for employee benefits:															
Mr. Sudhir Vaid	1.68	1.57	1.76	-	-	-	-	-	-	-	-	-	1.68	1.57	1.76
Mr. Ankur Vaid	0.75	0.20	0.42	-	-	-	-	-	-	-	-	-	0.75	0.20	0.42
Mrs. Megha Vaid	-	-	-	0.17	0.20	0.18	-	-	-	-	-	-	0.17	0.20	0.18
Mrs. Sonal Kumra	-	-	-	0.23	0.20	0.17	-	-	-	-	-	-	0.23	0.20	0.17
Mr. Lalit Sethi	0.24	-	-	-	-	-	-	-	-	-	-	-	0.24	-	-
Mr. Prakash Sajnani	0.09	0.22	0.20	-	-	-	-	-	-	-	-	-	0.09	0.22	0.20
Total	**2.76**	**1.99**	**2.38**	**0.40**	**0.40**	**0.35**	**-**	**-**	**-**	**-**	**-**	**-**	**3.16**	**2.39**	**2.73**
Trade Payables:															
Ravi Kapoor & Associates	-	-	-	-	-	-	-	-	-	0.18	0.17	0.16	0.18	0.17	0.16
Col. S. K. Vaid	-	-	-	0.38	0.32	0.28	-	-	-	-	-	-	0.38	0.32	0.28
Total	**-**	**-**	**-**	**0.38**	**0.32**	**0.28**	**-**	**-**	**-**	**0.18**	**0.17**	**0.16**	**0.56**	**0.49**	**0.44**
Trade Receivables:															
Concord Biotech Japan K.K.	-	-	-	-	-	-	143.57	74.91	53.85	-	-	-	143.57	74.91	53.85
Total	**-**	**-**	**-**	**-**	**-**	**-**	**143.57**	**74.91**	**53.85**	**-**	**-**	**-**	**143.57**	**74.91**	**53.85**

1. Outstanding balance at the year end are unsecured and interest free and settlement occures in cash.
2. The Company has not provided any committment to the related party as at 31 March 2022 (As on 31 March 2021-Nil, As on 31 March 2020 - Nil)
3. The Company has neither made any provision nor written off / written back any balances pertaining to related parties.

Note 40
Segment reporting
The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Bulk Drug business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

Geographical segment
Geographical segment is considered based on sales within India and outside India. In outside India, company separately disclosed sales to United States of America (USA) and Others.

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
i) Segment Revenue			
Revenue from Operations			
(a) Within India	3,374.13	2,526.53	2,615.64
(b) Outside India			
(i) USA	1,314.50	1,597.92	798.06
(ii) Others	2,440.70	2,044.98	1,709.59
Total Revenue from Operations	**7,129.33**	**6,169.43**	**5,123.29**
ii) Non Current operating assets [*]:			
(a) Within India	6,773.79	5,722.61	3,974.89
(b) Outside India	-	-	-
(i) USA	-	-	-
(ii) Others	-	-	-
(c) Unallocable	-	3.66	8.15
Total Non Current operating assets	**6,773.79**	**5,726.28**	**3,983.04**

[*] Other than Financial Assets

Information about major customers:
Revenue from major export and domestic customers is Nil (As at 31 March 2021 ₹ 1330.1 million and 31 March 2020 ₹ 1724.2 million). Revenue from other individual customer is less than 10% of total revenue.

Note 41
Research & Development
The Company's facility is approved for Research & Development by Department of Science & Industrial Research (DSIR). The company has incurred expenditure of revenue nature on Research & Development, details of which are as under :

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
Cost of Materials Consumed	38.12	19.25	13.29
Salaries & Wages	95.55	82.14	75.77
Power & Fuel	7.66	6.57	8.92
Depreciation	18.36	20.56	20.01
Others	98.78	64.39	59.79
Total	**258.47**	**192.91**	**177.78**

Note 42
Disclosure in respect of Micro and Small Enterprises:

Particulars	Year Ended 31 March 2022	Year Ended 31 March 2021	Year Ended 31 March 2020
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)			
Principal amount due to micro and small enterprise	83.20	80.24	66.36
Interest due on above	3.42	2.72	0.33
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	6.48	3.05	0.33
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)
Note 43
Interest in Other Entity

Sr. No.	Name of Entity	Country of Incorporation	Remarks	Activities	Proportion of Ownership of Interest		
					As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
	Joint Venture						
1	Concord Biotech Japan K.K.	Japan		Pharmaceutical	50%	50%	50%

(A) Company' share in Contingent Liability of Joint Venture with Concord Biotech Japan K.K

	Particulars	As at 31 March 2022	As at 31 March 2021	As at 31 March 2020
1	Disputed Demand in respect of :			
	Sales Tax	-	-	-
	Service Tax	-	-	-
	Income Tax	-	-	-
2	Claims against the Company not acknowledged as debts	-	-	-

Additional information pursuant to Schedule III of Companies Act, 201

Name of Entity	For the financial year ending on / as at 31 March 2022							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive	Amount
Concord Biotech Ltd	100%	11,032.23	102.08%	1,785.67	100.00%	(5.58)	102.09%	1,780.09
Add:								
Joint Venture								
Concord Biotech Japan K.K	0.00%	-	-2.08%	(36.38)	0.00%	-	-2.09%	(36.38)
Grand Total	**100%**	**11,032.23**	**100.00%**	**1,749.29**	**100%**	**(5.58)**	**100%**	**1,743.71**

Name of Entity	For the financial year ending on / as at 31 March 2021							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income / (loss)	Amount
Concord Biotech Ltd	100%	9,993.73	100.19%	2,353.36	100.00%	(0.42)	100.19%	2,352.94
Add:								
Joint Venture								
Concord Biotech Japan K.K	0.00%	-	-0.19%	(4.49)	0.00%	-	-0.19%	(4.49)
Grand Total	**100%**	**9,993.73**	**100.00%**	**2,348.87**	**100%**	**(0.42)**	**100%**	**2,348.45**

Name of Entity	For the financial year ending on / as at 31 March 2020							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit / (loss)	Amount	As a % of consolidated OCI	Amount	As a % of consolidated Total Comprehensive Income / (loss)	Amount
Concord Biotech Ltd	100%	7,702.34	99.91%	1,689.62	100.00%	(3.18)	100%	1,686.44
Add:								
Joint Venture								
Concord Biotech Japan K.K	0.00%	-	0.09%	1.50	0.00%	-	0%	1.50
Grand Total	**100%**	**7,702.34**	**100%**	**1,691.12**	**100%**	**(3.18)**	**100%**	**1,687.94**

Note 44
Disclosure requirement as per Schedule III

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

(vii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(viii) The Company doesn’t have any co-owned properties or the properties (including properties for which the lease agreement executed and disclosed as 'Right-of-Use Assets' in restated consolidated financial information) title deed of which are held by the others.

(ix) The Company has not granted any Loans or Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

(x) The Company has used the borrowings from the banks only for its intended purpose during the financial year.

(xi) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.

Note 44 Disclosure requirement as per Schedule III (continued..)

(xii) Ratio Analysis

Sr. No.	Ratio	Numerator	Denominator	2021-22	2020-21	Diff in %	Explanation for variance	2019-20	Diff in %	Explanation for variance
(a)	Current Ratio (in times)	Total current assets	Total current liabilities	4.08	5.74	(28.99)	Decrease in total current assets as the surplus funds used for incremental operations at new facility.	4.68	22.71	NA
(b)	Debt-Equity Ratio (in times)	Debt consists of borrowings	Total equity	0.05	0.09	(36.44)	Debt reduced as term loan quartely installments are paid and increase in other equity.	0.06	38.57	The increase in Debt is due to new borrowing has been obtained.
(c)	Debt Service Coverage Ratio (DSCR) (int times)	Earning for Debt Service = Restated Net Profit after taxes + Depreciation and amortiation expenses + Interest	Debt service = Interest and lease payments + Principal repayments	7.14	9.76	(26.77)	DSCR reduced due to decrease in profitability due to increase in operating expenses and new facilities	13.37	(27.03)	Principal repayment towards the new borrowing resulting into reduction of DSCR
(d)	Return on Equity / Return on Networth Ratio (in %)	Restated Profit for the year after tax	Average total equity	16.64	26.55	(37.32)	Profit after tax has reduced in the current year due to increase in operating expenses and new facilities.	23.28	14.02	NA
(e)	Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	0.94	0.84	11.64	NA	1.28	(34.20)	The major impact of reduction here is due to reduction in Work-In-Progress Inventory
(f)	Trade Receivables turnover ratio (in times)	Revenue from operations (excl. other operting revenue)	Average trade receivables	3.46	3.35	3.35	NA	2.91	14.90	NA
(g)	Trade payables turnover ratio (in times)	Purchase of Materials & Stock In Trade	Average trade payables	3.15	2.62	20.34	NA	2.95	(11.16)	NA
(h)	Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.49	1.23	21.35	Net capital turnover ratio is increased because of increasing in operating activities in new facilities	1.21	1.71	NA
(i)	Net profit ratio (in %)	Profit for the year after tax	Revenue from operations	24.54	38.07	(35.55)	Profit after tax has reduced in the current year due to withdrawal of export related benefits/ increase in power & fuel cost/ operating expense at new facility	33.01	15.34	NA
(j)	Return on Capital employed (in %)	Profit before tax and finance costs (excl. Interest expense on lease liabilities)	Capital employed = Tangible Net worth + Total Borrowings + Deferred tax liabilities	20.55	28.54	(28.00)	Return on capital employed lowered because the profit in current year lowered compared to previous year	25.66	11.20	NA
(k)	Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	6.16%	4.34%	41.91	Increased due to higher yields in Fixed deposits with Corporate Banks	6.26%	(30.63)	Negative impact is pertaining to Capital Expenditure at Limbasi facility

Concord Biotech Limited
Notes to Restated Consolidated Financial Information
(Amount in INR Millions, unless otherwise stated)
Note 45
Other Notes

(a) Covid-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Company has considered internal and external information while finalising various estimates in relation to its financial statement preparation upto the date of approval of the financial statements by the Board of Directors. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

(b) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on 13 November 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified. The Company will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 46
Events after the reporting period

(a) Pursuant to resolution of Board of Directors dated 24 May 2022 and the shareholders meeting dated 8 July 2022:

(i) Decided to split each equity share of face value to ₹ 10 into ten equity shares of face value of ₹ 1 each. Accordingly, the issued, subscribed and paid-up capital of our Company was subdivided from 95,10,564 equity shares of face value of ₹ 10 each to 9,51,05,640 equity shares of face value of ₹ 1 each.

(ii) Approved increase in authorized share capital of the from ₹ 100,000,000 consisting of 10,000,000 Equity Shares of ₹ 10/- each to ₹ 11,00,00,000 consisting of 11,00,00,000 Equity Shares of ₹ 1/- each.

(iii) Approved the issuance of 1 bonus shares of face value ₹ 1 each for every 10 existing fully paid-up equity share of face value ₹ 1 each and accordingly 95,10,564 bonus shares were issued and allotted on 20 July 2022.

(iv) Decided to undertake an initial public offering of its equity shares of face value of ₹ 1 each, which shall be only by an offer for sale of Equity Shares by existing shareholder(s) of the Company.

The impact of split shares and the issue of bonus shares are retrospectively considered and the computation of EPS as per the requirement of Ind AS - 33 Earnings per share.

(b) The Board of Directors in their meeting held on 29 July 2022, proposed a final equity dividend of ₹ 5.12 per equity share of ₹ 1 each fully paid up for the financial year 2021-22.

Note 47

Previous years' figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013 effective from 1 April 2021.

Note 48

(a) There are no restatement adjustments required to be made under the SEBI ICDR for the years ended 31 March 2022, 31 March 2021 and 31 March 2020. Accordingly, there are no reconciliations between Total equity and Total comprehensive income as per Restated Consolidated Financial Information and as Audited Consolidated Ind AS Financial Statements for the respective years.

(b) Appropriate re-groupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the classification as per the Ind AS financial information of the Company and its joint venture for the year ended 31 March 2022 prepared in accordance with Schedule III of Companies Act, 2013, requirements of applicable Ind AS and the requirements of the SEBI ICDR Regulations.

For and on behalf of board of directors of
Concord Biotech Limited
CIN:U24230GJ1984PLC007440

Sudhir Vaid
Chairman & Managing Director
DIN: 00055967

Ankur Vaid
Joint Managing Director & CEO
DIN: 01857225

Lalit Sethi
Chief Financial Officer

Prakash Sajnani
Sr. GM-Finance & Company Secretary

Place: Ahmedabad
Date: 9 August 2022

OTHER FINANCIAL INFORMATION

The accounting ratios derived from our Restated Consolidated Financial Information are given below:

Particulars	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Restated profit attributable to Owners for the period/ year (A) (₹ in million)	1,749.29	2,348.87	1,691.12
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	104.62	104.62	104.62
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	104.62	104.62	104.62
Basic Earnings per share (in ₹)[(1)($)] (D = A/B)	**16.72**	**22.45**	**16.17**
Diluted Earnings per share (in ₹)[(1)($)] (E = A/C)	**16.72**	**22.45**	**16.17**
Net worth at the end of the period/ year (A) (₹ in million)[(6)]	11,032.23	9,993.73	7,702.34
Net worth at the beginning of the period / year (B) (₹ in million) [(6)]	9,993.73	7,702.34	6,825.05
Restated profit for the period/ year (C) (₹ in million)	1,749.29	2,348.87	1,691.12
Return on net worth (D = C/{(A+B)/2}) (%)[(2)]	**16.64**	**26.55**	**23.28**
Net worth (A) (₹ in million) [(6)]	11,032.23	9,993.73	7,702.34
Weighted average number of equity shares in calculating basic EPS (B) (number in million)	104.62	104.62	104.62
Weighted average number of equity shares in calculating diluted EPS (C) (number in million)	104.62	104.62	104.62
Net Asset Value per Equity Share (basic) (D = A/B) (in ₹)[(3)$]	**105.45**	**95.53**	**73.62**
Net Asset Value per Equity Share (diluted) (E = A/C) (in ₹)[(3)$]	**105.45**	**95.53**	**73.62**
Restated Profit Before Tax for the period/ year (A) (₹ in million)	2,375.18	3,127.20	2,136.38
Add: Depreciation & Amortisation Expense (B) (₹ in million)	500.50	275.23	212.45
Add: Finance Cost (C) (₹ in million)	54.84	6.66	6.99
Less: Other Income (D) (₹ in million)	234.16	138.07	312.62
EBITDA[(4)] (₹ in million) (E=A+B+C-D)	**2,696.36**	**3,271.02**	**2,043.20**
EBITDA[(4)] (A) (₹ in million)	2,696.36	3,271.02	2,043.20
Revenue from operations (B) (₹ in million)	7,129.33	6,169.43	5,123.29
EBITDA Margin[(4)] (C=A/B) (%)	**37.82**	**53.02**	**39.88**
Net cash flow from operating activity (A) (₹ in million)	2,074.75	1,668.17	1,548.44
EBITDA[(4)] (B) (₹ in million)	2,696.36	3,271.02	2,043.20
Cash Conversion Ratio (%) (C=A/B)	**76.95**	**51.00**	**75.79**
Restated Profit Before Tax for the period/ year (A) (₹ in million)	2,375.18	3,127.20	2,136.38
Finance Cost (B) (₹ in million)	54.84	6.66	6.99
Interest expense on lease liabilities (C) (₹ in million)	3.14	3.99	4.88
Net worth at the end of the period/ year (D) (₹ in million) [(6)]	11,032.23	9,993.73	7,702.34
Intangible assets at the end of the period/ year (E) (₹ in million)	35.79	64.18	0.93

Particulars	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021	As at and for the year ended March 31, 2020
Total Borrowings at the end of the period/ year (F) (₹ in million)	605.86	863.49	480.28
Deferred Tax Liabilities at the end of the period/ year (G) (₹ in million)	209.71	174.53	151.29
Return on Capital Employed (A+B-C)/{(D-E)+F+G}(%)[7]	**20.55**	**28.54**	**25.66**

The ratios have been computed as under:

1. *Basic and diluted earnings per equity share: Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
2. *Return on Net worth (%) = Restated net profit after tax / Restated average net worth at the end of the period/year.*
3. *Net Asset Value per Share (in ₹) = Restated net worth at the end of the period/year / Weighted number of equity shares outstanding at the end of the period/year.*
4. *Earnings Before Interest, Tax, Depreciation and Amortisation, (EBITDA) is defined as Restated Profit before tax (+) Finance costs (+) Depreciation and amortisation (–) Other income. EBITDA Margin is defined as EBITDA/ Revenue from operations. EBITDA and EBITDA Margin do not have a standardized meaning and are not recognized measures under Ind AS or IFRS.*
5. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.*
6. *Net worth means the aggregate value of the paid-up share capital and all reserves 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, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*
7. *Return on capital employed is defined as restated profit before tax and finance costs (excluding interest expense on lease liabilities) divided by the aggregate of tangible net worth (closing net worth less intangible assets), total borrowings and deferred tax liabilities, for the relevant year.*

[$]Pursuant to a resolution passed by our Board on May 24, 2022 and a resolution passed by the Shareholders dated July 8, 2022, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed and paid up capital of our Company was sub-divided from 9,510,564 equity shares of face value of ₹10 each to 95,105,640 equity shares of face value of ₹1 each. Further, the Board of Directors pursuant to a resolution dated May 24, 2022 and the Shareholders pursuant to a special resolution dated July 8, 2022 have approved the issuance of 9,510,564 bonus Equity Shares in the ratio of one Equity Share for every ten existing fully paid up Equity Shares which were allotted on July 11, 2022.

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company as identified in accordance with the SEBI ICDR Regulations, for Financial Years 2020, 2021 and 2022 ("**Audited Financial Statements**") are available on our website at www.concordbiotech.com/investors. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. None of our Company or any of its advisors, nor BRLMs or the Selling Shareholder, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from reliance placed on any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards, *i.e.*, Ind AS 24 - Related Party Disclosures, read with the SEBI ICDR Regulations for the Fiscals ended March 31, 2022, March 31, 2021 and March 31, 2020 and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 39: Related Party Transactions*" on page 234.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2022, on the basis of amounts derived from our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Risk Factors*", "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", on pages 27, 188 and 246, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Offer as at March 31, 2022	Adjusted for the proposed Offer
Total borrowings		Refer notes below
Current borrowings[#] **(A)**	43.38	
Non-current borrowings (including current maturities of long-term borrowings) [#](**B**)	562.48	
Total borrowings (C)	**605.86**	
Total equity		
Equity share capital[$@]	95.11	
Other equity[#]	10,937.12	
Total equity (D)	**11,032.23**	
Total non-current borrowings (including current maturities of long- term borrowings)/ Total equity (B)/(D)	0.05	
Total borrowings/ Total equity (C)/(D)	0.05	

Notes:

 # These terms carry the same meaning as per Schedule III of the Companies Act.

$ The Board of Directors pursuant to a resolution dated May 24, 2022 and the Shareholders passed a special resolution dated July 8, 2022 have approved the bonus issue of 9,510,564 Equity Shares in the ratio of one Equity Share for every ten existing fully paid up Equity Shares which were allotted to the Shareholders on July 11, 2022. The above table does not give effect to this bonus issue.

@ Pursuant to a resolution passed by our Board on May 24, 2022 and a resolution passed by our Shareholders in the EGM held on July 8, 2022, each equity share of face value of ₹10 each has been split into 10 equity shares of face value of ₹1 each. The above table does not give effect to this split of equity shares.

FINANCIAL INDEBTEDNESS

Our Company has availed certain loans in the ordinary course of its business for the purposes of meeting working capital requirements and capital expenditure requirements. Our Board is empowered to borrow monies as may be required for the purpose of the business of the Company, in accordance with Section 179, Section 180 of the Companies Act and our Articles of Association.

The following table sets forth details of the aggregate outstanding borrowings of our Company, as on March 31, 2022.

Category of borrowing	Sanctioned Amount as on March 31, 2022 (in ₹ million)	Outstanding amount as on March 31, 2022 (in ₹ million)*
Fund based limits		
Cash credit facilities	250.00	43.38
Term loans	1,000.00	562.48
Overdraft	550.00	-
Sub-total (A)	1,800	**605.86**
Non-fund based limits		
Letter of credit	100.00	-
Sub-total (B)	100.00	-
Total (A) + (B)	1,900.00	**605.86**

** As certified by O.R. Maloo & Co., Chartered Accountants pursuant to the certificate dated August 11, 2022.*

Principal terms of the borrowings availed by our Company:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us. For details, see "*Risk Factors - Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business and results of operations*" on page 41.

1. ***Interest:*** Interest rate charged by the lenders for our term loans typically ranges from 4.65% to 7.40%.

2. ***Tenor:*** The tenor of the working capital facilities is generally a period of one year and can be renewed by mutual agreement while the tenor of our term loan is five years.

3. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to created security by way of:

   (a) hypothecation over all existing and future current assets of the Company;
   (b) hypothecation over entire movable fixed assets, present and future, pertaining to Unit-I (Dholka, Ahmedabad) of the Company except for vehicles;
   (c) mortgage on certain immovable property situated at Unit-I (Dholka, Ahmedabad) and Unit III (Limbasi, Kheda) of the Company; and
   (d) hypothecation over current assets and entire movable fixed assets, existing and future, pertaining to Unit III (Limbasi, Kheda) of the Company.

4. ***Repayment****:* The credit facilities are typically repayable on demand in accordance with the facility agreements executed by our Company.

5. ***Key covenants:***

   In terms of our facility agreements and sanction letters, we are required to:

   (a) comply with all applicable laws and obtain and maintain all authorizations;
   (b) utilize the facility for the purpose it is sanctioned;
   (c) amend its constitutional documents as required by the bank;
   (d) conduct business and operations in accordance with prudent and accepted industry standards and with due diligence and efficiency in accordance with sound technical, financial and managerial standards and business practices;
   (e) maintain proper books of accounts to accurately reflect its financial conditions;

(f) take prior written of the bank to enter into any scheme of merger, amalgamation, or undertake buyback;
(g) take prior written consent of bank to make any amendments in the Company's constitutional documents;
(h) take prior written consent of bank to make any change in Company's capital structure or making any drastic change in Company's ownership/control or management.
(i) take prior written consent of bank to dispose its assets other than those as permitted by the bank in writing;
(j) ensure that investment, loans or advances to foreign subsidiaries or any other entities, if any, comply with RBI guidelines;
(k) not to wind-up, liquidate or dissolve its affairs or take steps for its voluntary winding up or liquidation or dissolution, without banks consent; and
(l) not dispose of its assets other than those permitted by the bank in writing;

6. ***Events of Default:***

In terms of the facility agreements and sanction letters, the following, among others, constitute as events of default:

(a) company or any other person is in breach of any covenants, conditions or any other terms of the transaction documents of the facility agreement;
(b) default has occurred in payment of monies of the facilities on the due dates, whether at stated maturity, by acceleration or otherwise;
(c) if the Company has voluntarily taken any action for its insolvency, winding up or dissolution;
(d) the security for the facilities is in jeopardy or ceases to have effect;
(e) if any of the transaction documents executed or furnished by or behalf of the Company becomes illegal, invalid, unenforceable or fails or ceases to be in effect or fails or ceases to provide the benefit of the liens, rights, powers, privileges or security interests created by transaction documents;
(f) if any of the transaction documents is assigned or otherwise transferred, amended or terminated, repudiated or revoked, without the approval of the bank;
(g) if loan is utilized for any purpose other than sanctioned purpose;
(h) if any information, representation and warranty, statement made, or deem to be made, in or in connection with any transaction document is incorrect or misleading in any material respect; and

7. ***Consequences of occurrence of events of default:***

In terms of the facility agreements and sanction letters, in case of occurrence of events of default set out above, our lenders may, among others:

(a) terminate the facilities and/ or declare that the dues and all obligations shall immediately become due and payable;
(b) declare security created to be enforceable;
(c) take possession of and/or transfer the assets comprised within the security;
(d) appointment of observer on Company's Board;
(e) conversion of outstanding loan obligations into equity or other securities; and
(f) exercise such remedies as may be permitted or available to the Bank under law, including RBI guidelines.

Our Company has obtained written approvals from our lenders, to the extent required under the agreements entered into between us and such lenders, for undertaking the Offer and activities in connection thereof and the same have not been withdrawn as on the date of this Draft Red Herring Prospectus.

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

You should read the following discussion in conjunction with the Restated Consolidated Financial Information included herein as of and for the Financial Years ended March 31, 2020, 2021 and 2022, including the related notes, schedules and annexures. The Restated Consolidated Financial Information has been prepared in accordance with Ind AS. Ind AS differs in certain material respects from IFRS and US GAAP. See "Risk Factors – External Risk Factors – Risks Related to India – Significant differences exist between the Indian Accounting Standards (Ind AS) used to prepare our financial information and other accounting principles, such as the United States Generally Accepted Accounting Principles (U.S. GAAP) and the International Financial Reporting Standards (IFRS), which may affect investors' assessments of our Company's financial condition." on page 50.

Our Financial Year ends on March 31 of each year. Accordingly, all references to a particular Financial Year are to the 12-month period ended March 31 of that year. We have included various operational and financial performance indicators in this Draft Red Herring Prospectus, many of which may not be derived from our Restated Consolidated Financial Information or otherwise be subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorizations to enable a consistent representation of our business. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision, and should consult their own advisors and evaluate such information in the context of the Restated Consolidated Financial Information and other information relating to our business and operations included in this Draft Red Herring Prospectus.

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" dated August, 2022 (the "F&S Report"), prepared and released by Frost & Sullivan (India) Private Limited ("**F&S**"), which has been exclusively commissioned and paid for by our Company, for the purpose of understanding the industry in connection with this Offer. Unless otherwise indicated, financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year refers to such information for the relevant Financial Year. See "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data" and "Risk Factors — Internal Risk Factors — Risks Related to Our Business — This Draft Red Herring Prospectus contains information from third parties, including an industry report prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited (F&S) which we have commissioned and paid for purposes of confirming our understanding of the industry exclusively in connection with the Offer." on pages 23 and 45, respectively.*

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 25 and 27, respectively.

Overview

We are an India-based biopharma company and one of the leading global developers and manufacturers of select fermentation-based APIs across immunosuppressants and oncology in terms of market share, based on volume in 2021 (*Source: F&S Report*), supplying to over 70 countries including regulated markets, such as the United States, Europe and Japan, and India. We commanded a market share of over 20% by volume in 2021 across identified fermentation-based API products, including dactinomycin, sirolimus, tacrolimus, mycophenolate sodium and cyclosporine. (*Source: F&S Report*) As of March 31, 2022, we had a total installed fermentation capacity of 1,250 m^3. In 2016, we launched our formulation business in India as well as emerging markets, including Nepal, Mexico, Indonesia, Thailand, Ecuador, Kenya, Singapore and Paraguay, and have further expanded to the United States.

We are amongst the few companies globally that have successfully and sustainably established and scaled up fermentation-based API manufacturing capabilities (*Source: F&S Report*). Fermentation is a challenging process as it involves working with microbial strains and culture, controlling multiple process parameters and performing

various purification steps. Small modifications to the process may lead to relatively large variances in the outputs. Complex technical capabilities, difficulties in scaling up operations and the substantial capital investment required have resulted in significant barriers to entry in the fermentation-based API space. (*Source: F&S Report*) The global small-molecule fermentation-based API market was valued at US$11 billion (₹817 billion) in 2021. The market is expected to reach approximately US$13 billion (₹966 billion) in 2026, representing a CAGR of 3.6% from 2021 to 2026 (*Source: F&S Report*). Growth of the fermentation-based API market is expected to be driven primarily by the therapeutic areas of immunology, oncology and anti-infectives (*Source: F&S Report*). We have an established presence in these therapeutic areas and are well-poised to benefit from the industry growth tailwinds.

As of March 31, 2022, we had six fermentation-based immunosuppressant APIs, including tacrolimus, mycophenolate mofetil, mycophenolate sodium, cyclosporine, sirolimus and pimecrolimus. We aim to continue to grow our immunosuppressant API portfolio, which will remain one of the key contributors to our API business in the near future. In addition to our immunosuppressant API portfolio, we aim to increase the sales of our APIs across other therapeutic areas, especially the following:

- *Anti-bacterial APIs.* We offer four anti-bacterial APIs, including mupirocin, mupirocin calcium, vancomycin hydrochloride and teicoplanin;

- *Anti-fungal APIs*. We offer three anti-fungal APIs, including anidulafungin, micafungin sodium and caspofungin; and

- *Oncology drug APIs.* We offer six oncology drug APIs, including temsirolimus, everolimus, romidepsin, mitomycin, dactinomycin and midostaurin.

We have invested significantly in capacity expansion in recent years. With our increased capacities, we are in the process of scaling up our API production to serve more customers. As on the date of this Draft Red Herring Prospectus, we had 22 API products. We had filed more than 120 Drug Master Files ("**DMFs**") across several 50 countries for our APIs, including 20, 64 and four, respectively, in the United States, Europe and Japan, as on the date of this Draft Red Herring Prospectus. In addition, we had obtained Certification of Suitability to the Monographs of the European Pharmacopoeia ("**CEPs**") for 13 APIs as of March 31, 2022.

To capitalize on the benefits of backward integration that our presence in APIs provides, we entered into the formulations segment in 2016. In India, we market a portfolio of 27 brands across immunosuppressants, nephrology drugs and anti-infective drugs for critical care. We have a presence across 20 states and five union territories in India, through our sales team. We also have a B2B contract development manufacturing organization ("**CDMO**") business where we supply immunosuppressants to the Indian market. Our immunosuppressant formulations are manufactured in facilities inspected or accredited by overseas regulators, such as the USFDA, and distributed to the United States and countries in Asia, Africa and Latin America on a B2B basis, primarily through arrangements with distributors. As on the date of this Draft Red Herring Prospectus, we had 65 approved products for formulations. In addition, we have obtained four ANDA approvals for six products from the USFDA for formulations, as on the date of this Draft Red Herring Prospectus. Our R&D team is working on developing new formulations for which we expect to apply for ANDA approvals from the USFDA.

Significant factors affecting our results of operations

Sales Volume and Portfolio of Our Products

As of March 31, 2022, we offered 65 products, comprising 22 APIs and 43 formulations. See "*Our Business — Description of Our Business — API Business*" and "*Our Business — Description of Our Business — Formulation Business*" on pages 140 and 142, respectively. Our results of operations depend on the sales volume and portfolio of our APIs and formulations. The following table sets forth a breakdown of our revenues from contracts with customers based on products for the years indicated:

	For the Financial Year					
	2020		**2021**		**2022**	
	(₹ in millions)	***% of Total***	***(₹ in millions)***	***% of Total***	***(₹ in millions)***	***% of Total***
APIs[(1)]	4,694.53	91.63	5,068.78	82.16	5,749.07	80.64
Formulations	428.76	8.37	1,100.65	17.84	1,380.26	19.36
Total	5,123.29	100.00	6,169.43	100.00	7,129.33	100.00

Note:

(1) In this breakdown, our revenues from contracts with customers derived from APIs includes our revenue from sales of amidase, an enzyme and biocatalyst.

APIs. Revenues from our API business are affected by the following factors:

- *Utilization of our new API manufacturing facility.* The global small-molecule fermentation-based API market is expected to grow at a CAGR of 3.6% from 2021 to 2026 (*Source: F&S Report*). To meet the growing demand from our existing customers and to serve new customers, we launched a new API manufacturing facility at Limbasi in July 2021, which added an additional annual installed fermentation capacity of 800 m^3 to our API manufacturing facilities. The increased capacity will enable us to increase supplies to our existing customers as well as cater to new customers of our existing products. The addition of the Limbasi facility will also facilitate further expansion of our API product portfolio by allowing us to scale up our manufacturing capacities.

- *Expansion of our API portfolio.* We endeavour to commercialize additional low-volume, high-value fermentation-based API products. As on the date of this Draft Red Herring Prospectus, we have certain APIs in the pipeline which may generate additional revenue once they are commercialized. We are also in the process of filing additional DMFs for our API products across the world.

Formulations. We offer immunosuppressant formulations in India, certain emerging countries in Asia, Africa and Latin America and the United States. In addition, we offer nephrology drugs and anti-infectives for critical care which we in-license in India under our own brands. See "*Our Business — Description of Our Business — Formulation Business*" on page 142. We expect revenue from our formulations business will be affected by the following factors:

- *Additional regulatory filings across markets.* Although domestic sales have been historically important for our formulation business, our sales outside India have been growing due to the increasing number of dossiers that we filed in the overseas markets. As on the date of this Draft Red Herring Prospectus, we had 65 approved products for formulations. In addition, we have obtained four ANDA approvals for six products from the USFDA for formulations, as on the date of this Draft Red Herring Prospectus. We are in the process of filing new dossiers across emerging markets to deepen our penetration in these markets, with a view to increasing our revenue from the formulations business. Our R&D team is working on developing new formulations for which we expect to apply for ANDA approvals from the USFDA.

- *Increase in formulation sales in India.* We offer immunosuppressant, nephrology and anti-infectives for critical care formulations in India. Going forward, we aim to generate more revenue from sales of immunosuppressants, as demand for organ transplantation continues to increase in India (*Source: F&S Report*). We also plan to focus on nephrology and anti-infectives for critical care formulations for our revenue growth. We plan to expand our sales and distribution network in order to drive our sale volume in India.

- *New manufacturing facility for injectables.* As on the date of this Draft Red Herring Prospectus, we have a manufacturing facility for injectables under construction. Once it becomes operational, we will be able to supply liquid vials and lyophilized vials, dry powder injections and sterile powder lyophilization for a variety of therapeutic areas, including immunosuppressants, oncology, anti-bacterials and anti-fungals, to serve customers in India and emerging markets.

Relationships with Customers

Our results of operations significantly depend on our relationships with customers. As of March 31, 2022, we had over 200 customers in over 70 countries for both our API and formulation products. We supply APIs to customers such as Intas Pharmaceuticals Limited and Glenmark Pharmaceuticals Limited. With certain key customers, we have established long-standing relationships. As of March 31, 2022, we had an average of nine years of relationships with our ten largest customers for the Financial Year 2022. Additionally, we plan to further expand our international customer base through worldwide marketing activities and additional regulatory filings, which will contribute to our revenue growth. See "*Our Business — Our Strategies — Continue to increase our API market share and further develop our portfolio of complex and niche APIs with high growth potential*" and "*Our Business — Our Strategies — Increase the presence of our existing formulations and expand into new formulations*" on pages 137 and 138, respectively. The following table sets forth a breakdown of our revenue from operations by geography for the years indicated:

	For the Financial Year					
	2020		2021		2022	
	(₹ in millions)	*% of Total*	*(₹ in millions)*	*% of Total*	*(₹ in millions)*	*% of Total*
India	2,615.64	51.05%	2,526.53	40.95%	3,374.13	47.33%
USA	798.06	15.58%	1,597.92	25.90%	1,314.50	18.44%
Rest of the world	1,709.59	33.37%	2,044.98	33.15%	2,440.70	34.23%
Total	**5,123.29**	**100.00%**	**6,169.43**	**100.00%**	**7,129.33**	**100.00%**

Production Cost and Other Key Expenses

- *Cost of materials consumed.* We procure certain fermentation-based APIs from third-party suppliers as key starting materials for our semi-synthetic APIs for cost efficiency. See "*Our Business — Description of Our Business — API Business — Production Process — Semi-synthesis*" on page 141 for details. Further, we need certain other materials, such as excipients, manufacturing consumables, laboratory chemicals and packaging materials, for our production. We also sourced these materials from third-party suppliers. See " *— Key components of our statement of profit and loss — Expenses — Costs of materials consumed*" on page 262 for details. Our formulation business consists of both in-house manufactured products and third party manufactured products. For the in-house manufactured products, all products are backward integrated with our in-house APIs, which provides us with a cost advantage as we do not need to procure APIs from third-party suppliers for our formulation products. For the Financial Years 2020, 2021 and 2022, our cost of materials consumed amounted to ₹1,240.10 million, ₹1,311.68 million and ₹1,572.57 million, respectively, representing 24.21%, 21.26% and 22.06%, respectively, of our revenue from operations. Fluctuations in prices of key raw materials may increase our cost of materials consumed and adversely affect our profitability, and it may not be cost efficient to manufacture the key starting materials in-house. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business*" on page 28.

- *Research and development costs.* We rely on our R&D initiatives to keep up with technological improvements and maintain cost advantages. Accordingly, we have been investing in R&D activities for new product development, cost improvement, process improvement, technology transfer and scale-up initiatives. As of March 31, 2022, we had 163 R&D team members and two R&D units for both APIs and formulations. For the financial years 2020, 2021 and 2022, our R&D expenditure was ₹177.78 million, ₹192.91 million and ₹258.47 million, representing 3.47%, 3.13% and 3.63% of our total revenue from operations, respectively. Our R&D expenditure includes significant costs towards regulatory filings of the products developed from our R&D activities. In the long term, we aim to generate additional revenue from the new products developed from our R&D activities. We also expect the R&D activities to improve our cost management and operational efficiencies and increase our profitability.

- *Power and fuel consumed*. We are dependent on the state utilities for electrical power and third-party suppliers for gas, which are essential for our fermentation process. For the Financial Years 2020, 2021 and 2022, power and fuel consumed amounted to ₹373.04 million, ₹398.57 million and ₹716.45 million, respectively, representing 7.28%, 6.46% and 10.05%, respectively, of our revenue from operations. Fluctuations of power and fuel costs may increase our operational cost and decrease our profitability. For example, the significant increase in power and fuel consumed, as a result of the addition of the Limbasi facility as well as certain geopolitical factors, such as the war in Ukraine, which led to a major surge in the fuel prices and contributed to a significant disruption in the supply-chain across the globe, contributed to the increase in our other expenses for the Financial Year 2022.

- *Employee benefits expense*. Our results of operations and growth also depend on our ability to attract and retain qualified employees. For the Financial Years 2020, 2021 and 2022, our employee benefits expense was ₹622.44 million, ₹694.69 million and ₹956.94 million, respectively, constituting 18.86%, 21.87% and 19.32% of our total expenses, respectively. The expansion of our operations requires us to recruit additional employees. Our employee benefits expense for the Financial Year 2022 increased primarily as a result of hiring of new employees due to the addition of the Limbasi facility. We may also need to increase our levels of employee compensation as a result of the intense competition among pharmaceutical companies for qualified employees, which may lead to an increase in our employee benefit expense. See "*Risk Factors — Internal Risk Factors — Risks Related to Our Business — Our*

success depends on our ability to retain and attract qualified senior management and other key personnel, and if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business" on page 40 for details.

Statutory Benefits and Incentives

We have been taking advantage of certain statutory benefits and incentives, which impact our results of operations and cash flows. We accrued subsidy income amounting to ₹1.42 million and ₹54.18 million for the Financial Years 2021 and 2022, respectively. We did not receive any subsidy income for the Financial Year 2020. Changes in the benefits and incentives available to us will likely affect our profitability. Such benefits and incentives include:

- *Gujarat State Biotechnology Mission ("**GSBTM**")*. GSBTM was established by the state government of Gujarat to promote and facilitate the development of the biotechnology sector. Pursuant to the terms of the approval letter we received from GSBTM, we are eligible to receive capital subsidy, interest subsidy on term loan availed, power tariff and electricity duty bases subsidy, employment generation subsidy, and stamp duty/registration fee subsidy. We received these benefits under the GSBTM since the Financial Year 2019.

- *Production Linked Incentive ("**PLI**") Scheme.* The PLI scheme was launched by the Government of India in July 2020 in order to promote domestic manufacturing of critical key starting materials, drug intermediates and APIs in India, by attracting large investments in the pharmaceutical sector, and reduce India's import dependence in critical APIs. We are currently one of the companies approved by the Government of India to receive incentives under the PLI Scheme, and are eligible to receive maximum PLI benefits up to ₹500 million.

- *Export benefits.* For the Financial Years 2020, 2021 and 2022, we generated ₹2,507.65 million, ₹3,642.90 million and ₹3,755.20 million, respectively, from exports, representing 48.95%, 59.05% and 52.67%, respectively, of our revenue from operations for the same periods. For the Financial Year 2020, we accrued export benefits in the amount of ₹141.49 million, which comprised (i) duty drawback, (ii) export incentives under the Merchandise Exports from India Scheme ("**MEIS**"), and (iii) export incentives under the Market Access Initiative ("**MAI**") Scheme. Benefits under the MEIS for export of goods during the period from September 1, 2020 to December 31, 2020 were capped at ₹20 million pursuant to Notification No. 30/2015-2020 dated September 1, 2020 promulgated by the Government of India. Subsequently, Directorate General of Foreign Trade notified the withdrawal of MEIS, with effect from 1 January 2021. As a result, the export benefits accrued to us decreased from ₹141.49 million for the Financial Year 2020 to ₹128.90 million for the Financial Year 2021 and ₹44.93 million for the Financial Year 2022.

Basis of Preparation of Restated Consolidated Financial Information

The Restated Consolidated Financial Information of the Company and its joint venture comprises the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2022, 2021 and 2020, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Cash Flows, the Restated Consolidated Statement of Changes in Equity for the years ended 31 March, 2022, 2021 and 2020 of the Company and its share in the profit / (loss) in the joint venture; and the summary of significant accounting policies and explanatory notes (collectively, the "**Restated Consolidated Financial Information**").

The Restated Consolidated Financial Information has been prepared by our management for the purpose of inclusion in this Draft Red Herring Prospectus ("**DRHP**") prepared by us in connection with our proposed initial public offering ("**IPO**") in terms of the requirements of:

(i) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "**Act**");

(ii) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**ICDR Regulations**"); and

(iii) the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("**ICAI**"), as amended (the "**Guidance Note**").

These Restated Consolidated Financial Information has been compiled by the management from the audited consolidated Indian Accounting Standards ("**Ind AS**") financial statements of the Company and its joint venture as at and for the years ended March 31, 2022, 2021 and 2020, prepared in accordance with IndAS as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India (the "**Consolidated Ind AS Financial Statements**"), which have been approved by the Board of Directors at their meetings held on July 29, 2022, August 18, 2021 and October 26, 2020, respectively.

The accounting policies have been consistently applied by the Company and its joint venture in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2022.

Subsequent to March 31, 2022, pursuant to a resolution of the shareholders dated July 8, 2022, each Equity Share of face value of ₹10 each of the Company has been split into 10 equity shares of face value of ₹1 each (the "**Split**"). Further, our Board of Directors has approved the issuance of one bonus share of face value of ₹1 each for every 10 existing fully paid up equity share of face value of ₹1 each and accordingly 95,10,564 bonus shares were issued, which were allotted on July 20, 2022 (the "**Bonus Issue**"). As required under Ind AS 33 "Earnings per Share", the effect of such Split and Bonus Issue is required to be adjusted for the purpose of computing earnings per share for all the years presented, retrospectively. As a result, the effect of the Split and the Bonus Issue has been considered in the Restated Consolidated Financial Information for the purpose of calculating earnings per share.

The Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the Board of Directors' meetings on the audited consolidated Ind AS financial statements other than those described above.

The Restated Consolidated Financial Information:

(a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2021, and 2020 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2022; and
(b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The statutory auditor's report dated October 26, 2020 on the financial statements as at and for the year ended March 31, 2020 includes the following other matter paragraph:

> *"Due to COVID-19 related lockdown we were not able to physically observe the physical verification of inventory that was carried out by the management of the Company subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence and condition of inventory the Company as per the guidance provided in SA 501 "Audit evidence – Specific consideration for selected items" which includes inspection of supporting documentation relating to purchases, production, sales, results of count performed by the management of the Company through the year, and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Financial Statements.*
>
> *Our opinion is not modified in respect of this matter."*

The other matter above does not require any adjustment to the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information are presented in Indian Rupees "INR" or "Rs." Or "₹" and all values are stated as ₹millions or Rs. millions or ₹ millions, except when otherwise indicated.

Functional and Presentation Currency

The Restated Consolidated Financial Information are presented in Indian Rupees, the currency of the primary economic environment in which the Company and its joint venture operates. All the amounts are rounded to the nearest rupee millions.

Basis of Measurement

The Restated Consolidated Financial Information has been prepared on the historical cost basis (i.e on accrual basis), except for the following items:

- certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
- net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations.

Measurement of Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, we take into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The Company's interests in equity accounted investees comprise interests in a joint venture. A joint venture is an arrangement in which the Company has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in a joint venture is accounted for using the equity method. It is initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the Restated Consolidated Financial Information include the company's share of profit or loss and other comprehensive income ("**OCI**") of equity - accounted investees until the date on which significant influence or joint control ceases.

The carrying amount of such the Investment is tested for impairment at each reporting date.

Use of estimates

The preparation of the Restated Consolidated Financial Information in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Restated Consolidated Financial Information and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Restated Consolidated Financial Information in the period in which changes are made and, if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Key source of estimation of uncertainty at the date of the restated consolidated financial information, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment;

- Leases — Company as a lessee;
- Valuation of inventories;
- Employee benefits;
- Provisions and contingent liabilities; and
- Valuation of deferred tax assets.

Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per our normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company and its joint venture has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets or non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in our normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be settled within 12 months after the reporting date; or
- the Company and its joint venture does not have any unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current liabilities or non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalent. Our operating cycle is less than 12 months.

Significant accounting policies

Property, Plant and Equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and any accumulated impairment losses. The cost of plant, property and equipment comprises of its purchase price, non-refundable taxes and levies, freight and other incidental expenses related to the acquisition and installation of the respective assets. Borrowing cost attributable to financing of acquisition or construction of the qualifying plant, property and equipment is capitalized to respective assets when the time taken to put the assets to use is substantial. When major items of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. The cost of replacement of any property, plant and equipment

is recognized in the carrying amount of the item if it is probable that the future economic benefit associated with the item will flow to us and its cost can be measured reliably.

Capital work-in-progress comprises cost of plant, property and equipment that are not yet installed and ready for their intended use at the balance sheet date.

Pre-operative expenditure comprising of revenue expenses incurred in connection with project implementation during the period up to commencement of commercial production are treated as part of the project costs and are capitalized. Such expenses are capitalized only if the project to which they relate, involves substantial expansion of capacity or upgradation. Borrowing cost relating to construction of new API plants which take substantial period of time to get ready for capitalization is included in capital work-in-progress.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its use. Difference between the sales proceeds and the carrying amount of the asset is recognized in profit and loss.

Freehold land is carried at historical cost and not depreciated. Depreciation on plant, property and equipment is provided using straight line method (except vehicles which has been depreciation based on written down value method) based on useful life prescribed in Schedule II to the Act. Depreciation on assets added or disposed off during the year is provided on pro-rata basis with reference to month of addition or disposal, respectively. The estimated useful lives, residual values and depreciation method are reviewed at each financial year-end and changes in estimates, if any, are accounted for on a prospective basis.

Intangible Assets

Intangible assets acquired separately are measured at cost of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Intangible assets are amortized over the estimated useful life of three years which reflects the manner in which the economic benefit is expected to be generated. The estimated useful life of amortizable intangibles is reviewed at the end of each reporting period and change in estimates if any are accounted for on a prospective basis.

Foreign currency transactions and translation

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. The net gain or loss on account of exchange differences arising on settlement of foreign currency transactions are recognized as income or expense of the period in which they arise. Monetary assets and liabilities denominated in foreign currency as at the balance sheet date are translated at the closing rate. The resultant exchange rate differences are recognized in the restated statement of profit and loss. Non-monetary assets and liabilities are carried at the rates prevailing on the date of transaction.

Financial Instruments

Financial assets

Classification of financial assets

We classify our financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss) and
- those measured at amortized cost. The classification depends on our business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Initial measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are

recognized immediately the restated statement of profit and loss.

Subsequent measurement

Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized the restated statement of profit and loss when the asset is derecognized or impaired.

Fair value through OCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through OCI ("**FVOCI**"). 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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains and losses and impairment expenses in other expenses.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized the restated statement of profit and loss and presented net in the restated statement of profit and loss within other gains / (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from our balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- We have transferred our rights to receive cash flows from the asset.

When we have transferred an asset, we evaluate whether we have transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where we have not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where we have neither transferred a financial asset nor retains substantially all risks and rewards of ownership of financial asset, the financial asset is derecognized if we have not retained control over the financial asset. Where we retain control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Income recognition

Dividend is accounted when the right to receive payment is established. Interest income from financial assets is recognized when it is probable that the economic benefits will flow to us and the amount of income can be measured reliably.

Cash and cash equivalents

Cash and cash equivalents consists of cash on hand, short demand deposits and highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. Short term means investments with original maturities / holding period of three months or less from the date of

investments. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalent for the purpose of statement of cash flow.

Investments

Investments in mutual funds are primarily held for our temporary cash requirements and can be readily convertible in cash. These investments are initially recorded at fair value and classified as fair value through profit or loss.

Trade receivables

Trade receivables are amounts due from customers for sale of goods or services performed in the ordinary course of business. Trade receivables are initially recognized at its transaction price which is considered to be its fair value and are classified as current assets as it is expected to be received within the normal operating cycle of the business.

Financial liabilities

Our financial liabilities include trade payables, loans and borrowing and derivative financial instruments.

Classification

All our financial liabilities, except for financial liabilities at fair value through profit or loss, are measured at amortized cost.

Initial measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities at fair value through profit or loss are recognized immediately the restated statement of profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the Effective Interest Rate Method. The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

We derecognize financial liabilities when, and only when, our obligations are discharged, cancelled or waived off or have expired. An exchange between us and the lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized the restated statement of profit and loss.

Borrowings

Borrowings are initially recorded at fair value and subsequently measured at amortized costs using effective interest rate method. Transaction costs are charged to statement of profit and loss as financial expenses over the term of borrowing.

Trade payables

Trade payables are amounts due to vendors for purchase of goods or services acquired in the ordinary course of business and are classified as current liabilities to the extent it is expected to be paid within the normal operating cycle of the business.

Derivative Financial Instruments

We enter into derivative financial instruments to manage its foreign exchange rate risk. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized the restated statement of profit and loss immediately.

Leases — We as a lessee

At the inception of a contract, we assess whether a contract is or contains a lease. 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, we assess whether:

- the contract involves the use of identified asset;
- we have a right to obtain substantially all of the economic benefits from the use of the asset through the period of the lease; and
- we have the right to direct the use of the asset.

At the inception date, a right-of-use asset is recognised at cost, which includes the present value of lease payments adjusted for any payments made on or before the commencement of the lease and initial direct cost, if any. It is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. A right-of-use asset is depreciated using the straight-line method from the commencement date over the earlier of the useful life of the asset or the lease term. When we have a purchase option available under the lease and the cost of the right-of-use asset reflects that the purchase option will be exercised, the right-of-use asset is depreciated over the useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the restated statement of profit and loss.

At the inception date, the lease liability is recognised at the present value of the lease payments that are not made at the commencement of lease. The lease liability is subsequently measured by adjusting the carrying amount to reflect interest and remeasurement, if any.

Lease payments are discounted using the incremental borrowing rate or the interest rate implicit in the lease, if the rate can be determined. We have elected not to apply requirements of Ind AS 116 to leases that have a term of 12 months or less and to leases for which the underlying asset is of low value. Lease payments of such leases are recognised as an expense on straight-line basis over the lease term.

Inventories

Inventories are carried at the lower of cost and net realizable value.

The cost incurred in bringing the inventory to their existing location and conditions are determined as follows:

(a) Raw material and packing material: Purchase cost of materials on a FIFO basis;
(b) Finished goods (manufactured) and work in progress: cost of purchase, conversion cost, and other costs attributable to inventories; and
(c) Trading goods: Purchase cost on a FIFO basis.

The cost of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recovered by us from taxing authorities), and transport, handling and other costs directly attributable to the bringing the inventory to their existing location and conditions. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sales.

Impairment of Assets

Financial assets

At each balance sheet date, we assess whether a financial asset is to be impaired. Ind AS 109 "Financial Instruments" requires expected credit losses to be measured through loss allowance. We measure the loss allowance for financial assets at an amount equal to lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, we measure the loss allowance for financial assets at an amount equal to 12-month expected credit losses.

Non-financial assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit ("**CGU**") to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the profit or loss to such extent. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increase in the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately the restated statement of profit and loss.

Employee Benefits

Short term employee benefits

Short term benefits payable before twelve months after the end of the reporting period in which the employees have rendered service are accounted as expense in profit and loss account.

Long term employment benefits

Defined contribution plans

Contributions to defined contribution plans (provident fund and other social security schemes) are recognized as expense when employees have rendered services entitling them to such benefits.

Defined benefit plans

Our net obligation in respect of an approved gratuity plan, which is defined benefit plan, is calculated using the projected unit credit method and the same is carried out by qualified actuary. The current service cost and net interest on the net defined benefit liability (asset) is recognized in the restated statement of profit and loss. Past service cost are immediately recognized in the restated statement of profit and loss. Actuarial gains and losses net of deferred taxes arising from experience adjustment and changes in actuarial assumptions are recognized in OCI in the period in which they arise.

Compensated absences and earned leave

Our current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. We measure the expected cost of accumulating compensated absences as the additional amount that we expect to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognized in the restated statement of profit and loss in the period in which they arise.

Contingent liabilities, contingent assets and provisions

Contingent liability:

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as Contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

Contingent assets:

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized and disclosed only when an inflow of economic benefits is probable.

Provisions:

A provision is recognized when as a result of a past event, we have a present obligation whether legal or constructive that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the obligation is expected to be settled more than 12 months after the end of reporting date or has no definite settlement date, the provision is recorded as non-current liabilities after giving effect for time value of money, if material. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Government Grant

We recognize government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received.

Government grants received in relation to assets are recognized directly to respective assets for which it is received. Government grants, which are revenue in nature are either recognized as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

Revenue recognition

Revenue is measured based on the transaction price adjusted for discounts and rebates, which is specified in a contract with customer. Revenue are net of estimated returns and taxes collected from customers.

Revenue from sale of goods is recognized at point in time when control is transferred to the customer and it is probable that consideration will be collected. Control of goods is transferred upon the shipment of the goods to the customer or when goods is made available to the customer.

The transaction price is documented on the sales invoice and payment is generally due as per agreed credit terms with customer.

The consideration can be fixed or variable. Variable consideration is only recognized when it is highly probable that a significant reversal will not occur.

Sales return is variable consideration that is recognized and recorded based on historical experience, market conditions and provided for in the year of sale as reduction from revenue. The methodology and assumptions used to estimate returns are monitored and adjusted regularly in line with trade practices, historical trends, past experience and projected market conditions.

Revenue from services are recognized when the related services are performed, the contractual performance obligations are satisfied and there is no uncertainty relating to the collection of such revenue.

Profit share earned through a collaboration partner is recognised as underlying sales recorded by the collaboration partners.

Export entitlements

Export entitlements are recognized as income when right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate

collection of the relevant export proceeds.

Interest Income

Interest income is recognized using effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

(a) the gross carrying amount of the financial assets; or
(b) the amortized cost of the financial liabilities

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income returns to the gross basis.

Income Taxes

Income tax expense comprises current and deferred tax expense. Income tax expenses are recognized in the restated statement of profit or loss, except when they relates to items recognized in OCI or directly in equity, in which case, income tax expenses are also recognized in OCI or directly in equity respectively.

Current tax is the tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted by the end of reporting period by the governing taxation laws, and any adjustment to tax payable in respect of previous periods. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Our management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes arising from deductible and taxable temporary differences between the tax base of assets and liabilities and their carrying amount in the Restated Consolidated Financial Information are recognized using substantively enacted tax rates and laws expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax asset are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred tax assets and liabilities are offset when we have a legally enforceable right to do the same.

Earnings per share ("EPS")

Basic earnings per share is computed by dividing profit or loss attributable to our equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Research and development

Revenue expenditure on research and development activities is recognized as expense in the period in which it is incurred.

Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized the restated statement of profit and loss in the period in which they are

incurred.

Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to our Chief Operating Decision Maker ("**CODM**"). Our CODM is responsible for allocating resources and assessing performance of our operating segments, and accordingly is identified as the CODM. All operating segments' operating results are reviewed regularly by our CODM to make decisions about resources to be allocated to the segments and assess their performance.

Recent Accounting Pronouncements

Ministry of Corporate Affairs ("**MCA**") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 16 - Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as a part of the cost of an item of property, plant and equipment. We do not expect the amendment to have any significant impact on our financial statements.

Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. We do not expect the amendment to have any significant impact on our financial statements.

Ind AS 37 - Onerous Contracts

Costs of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and we do not expect the amendment to have any significant impact on our financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. We do not expect the amendment to have any significant impact on our financial statements.

Key components of our statement of profit and loss

The following descriptions set forth information with respect to the key components of our profit and loss statements.

Total Income

Total income consists of revenue from operations and other income.

Revenue from operations. Revenue from operations comprises (i) revenue from sale of products, representing the revenue we generated from sales of our APIs and formulations; (ii) revenue from sale of services, representing the revenue we generated from providing contract research and manufacturing services; and (iii) other operating income, representing the export benefits we received.

Other income. Other income primarily comprises (i) interest income; (ii) net gain on sale of investments; (iii) net foreign exchange gain; and (iv) subsidy income.

Expenses

Expenses consist of cost of materials consumed, purchases of stock-in-trade, changes in inventories of finished goods, work-in-progress and stock-in-trade, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Costs of materials consumed. Cost of materials consumed comprises costs from consumption of raw materials we use to manufacture our APIs and formulations and consumption of other materials such as excipients, manufacturing consumables, laboratory chemicals and packaging materials.

Purchases of stock-in-trade. Purchases of stock-in-trade comprises the cost of traded goods.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade comprises net increase or decrease in inventories of finished goods, work-in-progress and stock-in-trade of APIs and formulations.

Employee benefits expense. Employee benefits expense comprise salaries, wages and bonus, contribution to provident and other funds and staff welfare expenses.

Finance costs. Finance costs comprises interest expense on our term loan and working capital facility, and interest expense on lease liabilities.

Depreciation and amortization expense. Depreciation and amortization expense comprises depreciation on tangible assets, amortization on intangible assets and amortization on right-of-use assets.

Other expenses. Other expenses comprise expenses relating to power and fuel consumed, consumption of stores and spare parts, laboratory expenses, rates and taxes, traveling and conveyance, legal and professional fees, selling and distribution expenses, including export expenses, commission expenses and samples, sales promotion and advertisement expenditure.

Tax expense

Tax expense consists of current tax and deferred tax.

Our results of operations

The following table sets forth the selected financial data from our restated consolidated statement of profit and loss for the Financial Years 2020, 2021 and 2022, the components of which are also expressed as a percentage of total income for such periods:

Particulars	For the Financial Years					
	2020		2021		2022	
	₹ in millions	% of Total Income	₹ in millions	% of Total Income	₹ in millions	% of Total Income
INCOME						
Revenue from operations	5,123.29	94.25%	6,169.43	97.81%	7,129.33	96.82%
Other income	312.62	5.75%	138.07	2.19%	234.16	3.18%
Total Income	**5,435.91**	**100.00%**	**6,307.50**	**100.00%**	**7,363.49**	**100.00%**
EXPENSES						
Cost of materials consumed	1,240.10	22.81%	1,311.68	20.80%	1,572.57	21.36%
Purchases of stock-in-trade	107.79	1.98%	194.46	3.08%	307.33	4.17%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(48.51)	(0.89)%	(390.47)	(6.19)%	(239.79)	(3.26)%
Employee benefits expense	622.44	11.45%	694.69	11.01%	956.94	13.00%
Finance costs	6.99	0.13%	6.66	0.11%	54.84	0.74%
Depreciation and amortization expense	212.45	3.91%	275.23	4.36%	500.50	6.80%
Other expenses	1,159.77	21.34%	1,083.56	17.18%	1,799.54	24.44%
Total Expenses	**3,301.03**	**60.73%**	**3,175.81**	**50.35%**	**4,951.93**	**67.25%**
Share of profit of joint venture accounted using equity method	1.50	0.03%	(4.49)	(0.07)%	(36.38)	(0.49)%

Particulars	For the Financial Years					
	2020		2021		2022	
	₹ in millions	% of Total Income	₹ in millions	% of Total Income	₹ in millions	% of Total Income
RESTATED PROFIT BEFORE TAX	**2,136.38**	**39.30%**	**3,127.20**	**49.58%**	**2,375.18**	**32.26%**
TAX EXPENSE						
Current tax	544.70	10.02%	757.20	12.00%	584.90	7.94%
Deferred tax	(100.02)	(1.84)%	23.39	0.37%	37.05	0.50%
Short /(excess) provision for tax of earlier years	0.58	0.01%	(2.26)	(0.04)%	3.94	0.05%
Total tax expenses	**445.26**	**8.19%**	**778.33**	**12.34%**	**625.89**	**8.50%**
RESTATED PROFIT FOR THE YEAR	**1,691.12**	**31.11%**	**2,348.87**	**37.24%**	**1,749.29**	**23.76%**

Financial Year 2022 compared to Financial Year 2021

Income

Total income. Total income increased by 16.74% to ₹7,363.49 million for the Financial Year 2022 from ₹6,307.50 million for the Financial Year 2021, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 15.56% to ₹7,129.33 million for the Financial Year 2022 from ₹6,169.43 million for the Financial Year 2021, primarily due to an increase in revenue from sale of products to ₹7,039.86 million from ₹6,024.18 million, which was mainly attributable to (i) an increase in the sales volume of our products to existing customers; (ii) sales to our new customers; and (iii) increase in prices of some of our products, which was partially offset by decrease in prices of certain products. The increase in revenue from operations was offset by a decrease in other operating income to ₹44.93 million from ₹128.90 million, which was mainly attributable to the discontinuation of the MEIS with effect from January 2021. See " — *Significant factors affecting our results of operations — Statutory Benefits and Incentives — Export Benefits*" on page 250 for details. The following table sets forth a breakdown of our revenue from operations by geography for the years indicated:

	For the Financial Year			
	2021		2022	
	(₹ in millions)	*% of Total*	*(₹ in millions)*	*% of Total*
India	2,526.53	40.95%	3,374.13	47.33%
USA	1,597.92	25.90%	1,314.50	18.44%
Rest of the world	2,044.98	33.15%	2,440.70	34.23%
Total	**6,169.43**	**100.00%**	**7,129.33**	**100.00%**

Other income. Other income increased by 69.60% to ₹234.16 million for the Financial Year 2022 from ₹138.07 million for the Financial Year 2021, primarily due to increases in (i) net foreign exchange gain to ₹63.59 million from ₹15.51 million, which was primarily attributable to the appreciation of U. S. Dollar against Indian rupees; (ii) interest income to ₹47.87 million from ₹15.73 million, which was primarily attributable to the interest income from our investments in securities; and (iii) subsidy income to ₹54.18 million from ₹1.42 million, which was attributable to the electricity duty exemption, power tariff exemption and incentives under the employment generation scheme from the GSBTM further to the commencement of commercial operations at Limbasi facility in July 2021, and the availment of the term loan from the State Bank of India. See " — *Significant factors affecting our results of operations — Statutory Benefits and Incentives — Gujarat State Biotechnology Mission*" on page 250 for details. The increase in other income was primarily offset by decreases in (i) net gain on sale of investments to ₹50.94 million from ₹67.70 million, which was mainly attributable to our sale of investments in mutual funds, and (ii) excess provision no longer required to nil from ₹21.84 million, which was mainly attributable to reversal of outstanding dues to vendors in the previous year.

Expenses

Cost of materials consumed. Cost of materials consumed increased by 19.89% to ₹1,572.57 million for the Financial Year 2022 from ₹1,311.68 million for the Financial Year 2021, primarily due to the increase in sale of products and the resultant consumption of materials for production, as well as the addition of the Limbasi facility in July 2021.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 58.05% to ₹307.33 million for the Financial Year 2022 from ₹194.46 million for the Financial Year 2021, primarily due to the increase in sale of products and the resultant increase in purchases of traded goods.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹(239.79) million for the Financial Year 2022 as compared to ₹(390.47) million for the Financial Year 2021. For the Financial Year 2022, we had an opening inventory of ₹883.89 million and a closing inventory of ₹1,123.68 million. For the Financial Year 2021, we had an opening inventory of ₹493.42 million and a closing inventory of ₹883.89 million.

Employee benefits expense. Employee benefits expense increased by 37.75% to ₹956.94 million for the Financial Year 2022 from ₹694.69 million for the Financial Year 2021, primarily due to an increase in salaries, wages and bonus to ₹884.05 million from ₹644.37 million, which was primarily attributable to (i) the increase in the number of our employees to 1,180 as of March 31, 2022 from 990 as of March 31, 2021, partially because of the addition of the Limbasi facility, and (ii) the compensation increments to our employees.

Finance Costs. Finance costs increased to ₹54.84 million for the Financial Year 2022 from ₹6.66 million for the Financial Year 2021, primarily due to a significant increase in interest expense to ₹51.70 million for the Financial Year 2022 from ₹2.67 million for the Financial Year 2021, which was primarily attributable to commencement of commercial production at Limbasi facility in July 2021. Prior to the commercialization, interest expenses in relation to loans incurred towards the Limbasi facility were capitalized as per the Ind AS.

Depreciation and amortization expense. Depreciation and amortization expense increased by 81.85% to ₹500.50 million for the Financial Year 2022 from ₹275.23 million for the Financial Year 2021 primarily due to a significant increase in the depreciation on tangible assets to ₹455.57 million from ₹232.23 million, which was primarily attributable to the addition of plant and equipment during the Financial Year 2022 as a result of the addition of the Limbasi facility.

Other expenses. Other expenses increased by 66.08% to ₹1,799.54 million for the Financial Year 2022 from ₹1,083.56 million for the Financial Year 2021 primarily due to the increases in (i) power and fuel consumed to ₹716.45 million from ₹398.57 million, mainly attributable to the price surge in the global energy markets as well as the addition of the Limbasi facility; (ii) laboratory charges and testing expenses to ₹185.66 million from ₹132.12 million, mainly attributable to quality control and quality assurance expenditure; (iii) travelling and conveyance expenses to ₹75.40 million from ₹51.37 million, mainly attributable to recovery of the business operations post the COVID-19 induced lockdowns which had suspended movement during the Financial Year 2021; (iv) legal and professional fees to ₹55.33 million from ₹39.32 million, mainly attributable to consultancy charges; and (v) selling, distribution and advertisement expenses to ₹214.36 million from ₹133.63 million, mainly attributable to increase in distribution cost and commission paid to agents on account of increase in sales.

Tax expense. Our total tax expense decreased to ₹625.89 million for the Financial Year 2022 from ₹778.33 million for the Financial Year 2021, primarily as a result of a decrease in the restated profit before tax.

Profit for the year. As a result of the foregoing, our profit for the year decreased to ₹1,749.29 million for the Financial Year 2022 from ₹2,348.87 million for the Financial Year 2021.

Financial Year 2021 compared to Financial Year 2020

Income

Total income. Total income increased by 16.03% to ₹6,307.50 million for the Financial Year 2021 from ₹5,435.91 million for the Financial Year 2020, primarily due to an increase in revenue from operations.

Revenue from operations. Revenue from operations increased by 20.42% to ₹6,169.43 million for the Financial Year 2021 from ₹5,123.29 million for the Financial Year 2020, primarily due to an increase in revenue from sale of products to ₹6,024.18 million from ₹4,981.80 million, which was mainly attributable to (i) an increase in the sales volume of our products to existing customers; (ii) sales to our new customers; (iii) certain changes in our product mix leading to the production of certain higher-priced products (such as immunosuppressants); and (iv) increase in the price of some of our products. The increase in revenue from operations was offset by a decrease in other operating income to ₹128.90 million from ₹141.49 million, which was mainly attributable to the discontinuation of the MEIS from January 2021. See " — *Significant factors affecting our results of operations*

— *Statutory Benefits and Incentives — Export Benefits*" on page 250 for details. The following table sets forth a breakdown of our revenue from operations by geography for the years indicated:

	For the Financial Year			
	2020		2021	
	(₹ in millions)	*% of Total*	*(₹ in millions)*	*% of Total*
India	2,615.64	51.05%	2,526.53	40.95%
USA	798.06	15.58%	1,597.92	25.90%
Rest of the world	1,709.59	33.37%	2,044.98	33.15%
Total	**5,123.29**	**100.00%**	**6,169.43**	**100.00%**

Other income. Other income decreased by 55.83% to ₹138.07 million for the Financial Year 2021 from ₹312.62 million for the Financial Year 2020, primarily due to decreases in (i) net gain on sale of investments to ₹67.70 million from ₹234.01 million, which was mainly attributable to our sale of investments in mutual funds, and (ii) net foreign exchange gain to ₹15.51 million from ₹73.57 million, which was mainly attributable to low volatility in currency markets. The decrease in other income was primarily offset by the excess provision no longer required of ₹21.84 million for the Financial Year 2021, which was mainly attributable to reversal of outstanding dues to vendors.

Expenses

Cost of materials consumed. Cost of materials consumed increased by 5.77% to ₹1,311.68 million for the Financial Year 2021 from ₹1,240.10 million for the Financial Year 2020, primarily due to the increase in sale of products and the resultant consumption of materials for production.

Purchases of stock-in-trade. Purchases of stock-in-trade increased by 80.41% to ₹194.46 million for the Financial Year 2021 from ₹107.79 million for the Financial Year 2020, primarily due to increase in sale of products and the resultant increase in purchases of traded goods.

Changes in inventories of finished goods, work-in-progress and stock-in-trade. Changes in inventories of finished goods, work-in-progress and stock-in-trade was ₹(390.47) million for the Financial Year 2021 as compared to ₹(48.51) million for the Financial Year 2020. For the Financial Year 2021, we had an opening inventory of ₹493.42 million and a closing inventory of ₹883.89 million. For the Financial Year 2020, we had an opening inventory of ₹444.91 million and a closing inventory of ₹493.42 million.

Employee benefits expense. Employee benefits expense increased by 11.61% to ₹694.69 million for the Financial Year 2021 from ₹622.44 million for the Financial Year 2020, primarily due to an increase in salaries, wages and bonus to ₹644.37 million for the Financial Year 2021 from ₹574.35 million for the Financial Year 2020, which was primarily attributable to (i) the increase in the number of our employees to 990 as of March 31, 2021 from 811 as of March 31, 2020, and (ii) the compensation increments to our employees.

Finance Costs. Finance costs decreased by 4.72% to ₹6.66 million for the Financial Year 2021 from ₹6.99 million for the Financial Year 2020 due to a decrease in interest expense on leased liabilities to ₹3.99 million from ₹4.88 million, partially offset by an increase in interest expense to ₹2.67 million from ₹2.11 million.

Depreciation and amortization expense. Depreciation and amortization expense increased by 29.54% to ₹275.23 million for the Financial Year 2021 from ₹212.45 million for the Financial Year 2020 primarily due to increases in (i) the depreciation on tangible assets to ₹232.23 million from ₹200.53 million, primarily attributable to the addition of plant and equipment during the Financial Year 2021 as a result of capitalization at our Dholka and Valthera facilities; and (ii) the amortization on intangible assets to ₹32.58 million from ₹1.57 million, primarily attributable to the additions of technical know-how, which represents technology transfer, during the Financial Year 2021.

Other expenses. Other expenses decreased by 6.57% to ₹1,083.56 million for the Financial Year 2021 from ₹1,159.77 million for the Financial Year 2020, primarily due to (i) the loss on fair market value of investments in the amount of ₹109.85 million for the Financial Year 2020, primarily due to the decrease in the fair market value of our investments in mutual funds. We did not incur losses on fair market value of investments in the Financial Year 2021; and (ii) a decrease in selling, distribution and advertisement expenses to ₹133.63 million from ₹156.03 million due to restrictions imposed on selling and distribution activities pursuant to the COVID-19 pandemic.

Tax expenses. Our total tax expenses increased to ₹778.33 million for the Financial Year 2021 from ₹445.26 million for the Financial Year 2020, primarily attributable to (i) an increase in the restated profit before tax, and (ii) a deferred tax of ₹(100.02) million for the Financial Year 2020, arising from our depreciation and amortization and fair valuation of investment in mutual funds.

Restated profit for the year. As a result of the foregoing, our profit for the year increased to ₹2,348.87 million for the Financial Year 2021 from ₹1,691.12 million for the Financial Year 2020.

Liquidity and capital resources

Our primary source of liquidity is cash generated from operations. As of March 31, 2022, we had cash and cash equivalents of ₹6.67 million.

Our funding requirements are primarily for working capital. Our cash generated from operations has been sufficient to meet the funding requirements, while we availed a term loan from State Bank of India for our Limbasi unit, pursuant to which we received a subsidy on interest from the GSBTM. See " — *Indebtedness*" and " — *Significant factors affecting our results of operations — Statutory Benefits and Incentives — Gujarat State Biotechnology Mission*" on pages 267 and 250, respectively. We expect that cash generated from operations will continue to be our principal source of funds in the long-term. We evaluate our funding requirements periodically in light of our net cash flow from operating activities, the requirements of our business and operations, acquisition opportunities and market conditions.

Cash Flows

The following table summarizes our cash flows data for the years indicated:

Particulars	For the Financial Year		
	2020	2021	2022
	(₹ in millions)		
Net cash flow from operating activities	1,548.44	1,668.17	2,074.75
Net cash flow used in investing activities	(1,127.79)	(1,952.05)	(1,117.88)
Net cash flow (used in)/from financing activities	(434.16)	311.24	(1,001.64)
Net (decrease)/increase in cash and cash equivalents	**(13.51)**	**27.36**	**(44.77)**
Cash and cash equivalents at the beginning of the year	37.59	24.08	51.44
Cash and cash equivalents at the end of the year	**24.08**	**51.44**	**6.67**

Net cash flow from operating activities

Net cash flow from operating activities was ₹2,074.75 million in the Financial Year 2022. While we had a restated profit before tax of ₹2,375.18 million for the Financial Year 2022, we had an operating profit before working capital changes of ₹2,903.13 million, primarily as a result of adjustments for depreciation and amortization of ₹500.50 million. Our working capital changes primarily consisted of increase in trade payables of ₹365.32 million, decrease in other current assets of ₹ 305.98 million and increase in other current liabilities of ₹100.10 million, partially offset by increase in trade receivables of ₹527.69 million and increase in inventories of ₹415.09 million.

Net cash flow from operating activities was ₹1,668.17 million in the Financial Year 2021. While we had a restated profit before tax of ₹3,127.20 million for the Financial Year 2021, we had an operating profit before working capital changes of ₹3,307.57 million, primarily as a result of adjustments for depreciation and amortization of ₹275.23 million. Our working capital changes primarily consisted of increase in inventories of ₹423.77 million, decrease in trade payables of ₹225.10 million and decrease in other current liabilities of ₹164.42 million.

Net cash flow from operating activities was ₹1,548.44 million in the Financial Year 2020. While we had a restated profit before tax of ₹2,136.38 million for the Financial Year 2020, we had an operating profit before working capital changes of ₹2,256.84 million, primarily as a result of adjustments for depreciation and amortization of ₹212.45 million and loss on fair value of current investment of ₹109.85 million, partially offset by net gain on sale of investments of ₹234.01 million. Our working capital changes primarily consisted of increase in trade payables of ₹392.65 million and increase in other current liabilities of ₹193.38 million, partially offset by increase in trade receivables of ₹294.31 million, increase in other assets of ₹265.49 million and increase in inventories of ₹195.14 million.

Net cash flow used in investing activities

Net cash flow used in investing activities was ₹1,117.88 million in the Financial Year 2022, primarily consisting of purchase of current investments, such as mutual funds, of ₹4,889.50 million and purchase of property plant and equipment and intangible assets of ₹1,555.05 million, partially offset by proceeds from sale of current investment of ₹5,614.36 million. Surplus fund released from investment activities were used for capital investment at Limbasi facility.

Net cash flow used in investing activities was ₹1,952.05 million in the Financial Year 2021, primarily consisting of purchase of current investments, such as mutual funds, of ₹6,182.72 million and purchase of property plant and equipment and intangible assets of ₹2,041.76 million, partially offset by proceeds from sale of current investment of ₹6,823.74 million.

Net cash flow used in investing activities was ₹1,127.79 million in the Financial Year 2020, primarily consisting of purchase of current investments, such as mutual funds, of ₹4,799.82 million and purchase of property plant and equipment and intangible assets of ₹1,554.67 million, partially offset by proceeds from sale of current investment of ₹5,236.27 million.

Net cash flow (used in)/from financing activities

Net cash flow used in financing activities was ₹1,001.64 million in the Financial Year 2022, primarily consisting of dividend paid (including tax on dividends) of ₹705.21 million and repayment of long-term borrowings of ₹250.02 million.

Net cash flow from financing activities was ₹311.24 million in the Financial Year 2021, primarily consisting of proceeds of long-term borrowings of ₹519.72 million, partially offset by repayment of long-term borrowings of ₹187.50 million.

Net cash flow used in financing activities was ₹434.16 million in the Financial Year 2020, primarily consisting of dividend paid (including tax on dividends) of ₹805.45 million, offset by proceeds of long-term borrowings of ₹480.28 million.

Indebtedness

As of March 31, 2022, we had total borrowings amounting to ₹605.86 million, which consisted of (i) the cash credit facility we availed and (ii) the term loan from State Bank of India, with an interest rate of 3-month marginal cost of funds based lending rate plus 0.20% per annum, repayable in 16 quarterly instalments of ₹62.50 million each, starting from October 2020. For further details related to our indebtedness, see "*Financial Indebtedness*" beginning on page 244.

Capital and other commitments

As of March 31, 2022, our estimated amount of contracts remaining to be executed on capital account and not provided for in respect of tangible assets (net of advances) was ₹783.85 million.

The following table sets forth a summary of the maturity profile of our contractual obligations as of March 31, 2022:

	Payment due by period			
	Less than one year	**One to two years**	**Two to five years**	**Total**
	(₹ in millions)			
Trade payables	831.06	-	-	831.06
Borrowings	293.38	250.00	62.48	605.86
Other financial liabilities	216.40	-	-	216.40
Lease liabilities	15.96	1.47	1.64	19.07
Total	**1,356.80**	**251.47**	**64.12**	**1,672.39**

Capital Expenditure

For the Financial Year 2020, our purchase of property, plant and equipment and intangible assets was ₹1,554.67 million, primarily on plant and equipment at existing facilities at our Dholka and Valthera, and capital work-in-progress at the Limbasi facility. For the Financial Year 2021, our purchase of property, plant and equipment and intangible assets was ₹2,041.76 million, primarily in relation to our Limbasi facility. For the Financial Year 2022, our purchase of property, plant and equipment and intangible assets was ₹1,555.05 million, primarily in (i) the API manufacturing facility at Limbasi and (ii) injectable project at Valthera to expand our formulation manufacturing facility to include a new section for injectables. For further details, see "*Our Business — Description of Our Business — Manufacturing Facilities and Approvals*" on page 144.

For the Financial Year 2023, we expect to incur planned capital expenditure of approximately ₹900 million towards the manufacturing facility for injectables. See "*Our Business — Our Strategies — Increase the presence of our existing formulations and expand into new formulations — Launching new dosage forms*" on page 138 for details.

Contingent liabilities

The following table sets forth our contingent liabilities as of March 31, 2022:

Particulars	As of March 31, 2022
	(*₹ in millions*)
Claims against our Company/disputed liabilities not acknowledged as debts:	
Disputed demand of excise duty for which an appeal has been preferred	37.64
Disputed demand of income tax in an appeal has been preferred or rectification has been filed with the Income Tax Department	95.55

Off-balance sheet commitments and arrangements

We do not have any off-balance sheet arrangements, derivative instruments (except forward contracts for hedging currency risk), swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related party transactions

We have engaged in the past, and may engage in the future, in transactions with related parties. For details of our related party transactions, see "*Other Financial Information — Related Party Transactions*" on page 242.

Quantitative and qualitative analysis of market risks

We are exposed to various types of market risks during the normal course of business. The market risks we are exposed to include foreign currency exchange rate risk, interest rate risk, credit risk and liquidity risk.

Foreign currency exchange rate risk

Our Company's foreign currency risk arises from our foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of our Company. The major foreign currency exposures for our Company are denominated in USD. Additionally, there are transactions which are entered into in other currencies and are not significant in relation to the total volume of the foreign currency exposures of our Company. Our Company hedges some trade receivables and future cash flows up to a maximum of six months forward based on historical trends, budgets and monthly sales estimates.

Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Our Company was exposed to fluctuations in interest rates in respect of term loan carrying a floating rate of interest. In respect of term loan, our Company had an outstanding

non-current borrowing (excluding current maturities of non-current borrowings) of ₹312.48 million, as of March 31, 2022. The term loan availed by the company is at a floating interest rate based on marginal cost lending rate.

Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk includes both the direct risk of default and the risk of deterioration of creditworthiness, as well as the concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consist of trade receivables and derivative financial instruments.

Liquidity risk

Liquidity risk refers to the risk that our Company will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. Our Company generates cash flows from operations to meet our financial obligations, maintains adequate liquid assets in the form of cash and cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

Known trends or uncertainties

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 " — *Significant Factors Affecting Our Results of Operations*" and the uncertainties described in "*Risk Factors*", beginning on pages 247 and 27, respectively. Except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

Seasonality

Our business is not subject to seasonal variations.

Dependence on a few suppliers or customers

We derive a significant portion of our revenues from a limited number of customers. For further details, see "*Risk Factors — Internal Risk Factors — Risk Related to Our Business — We depend on a limited number of key customers for a substantial portion of our revenues. Any significant reduction in demand for our products from such customers may adversely affect our business and results of operations.*" on page 30.

We obtain a significant portion of our raw materials from a limited number of suppliers. For further details, see "*Risk Factors — Internal Risk Factors — Risk Related to Our Business — Any delay, interruption or reduction in the supply of our raw materials or the transportation of our raw materials or products may adversely impact the pricing and supply of our products and have an adverse effect on our business.*" on page 28.

Competitive conditions

We face competition from various industry players, including fermentation-based API manufacturers and pharmaceutical companies in China, Taiwan, Korea and India. For further details, see "*Industry Overview — Global Fermentation API Market by Regional Consumption — Competitive Landscape*" on page 112.

Future relationship between cost and income

Other than as described in "*Risk Factors*", "*Our Business*" and above in " — *Significant Factors Affecting our Results of Operations*" beginning on pages 27, 131 and 247, respectively, to our knowledge, there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

New products or business segments

Except as disclosed in "*Our Business — Description of Our Business — API Business*" and "*Our Business — Description of Our Business — Formulation Business*" on pages 140 and 142, respectively, we have not announced and do not expect to announce in the near future any new products or business segments.

Total turnover of each major industry segment in which we operate

For details of the breakdown of our sale of products by business line, see "*— Significant Factors Affecting our Results of Operations — Sales Volume and Portfolio of Our Products*" on page 247.

Significant developments occurring after March 31, 2022 or significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed below and in this Draft Red Herring Prospectus, there are no circumstances that have arisen since March 31, 2022, the date of the last financial statements included in this Draft Red Herring Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

- Pursuant to a resolution passed by our Board on May 24, 2022 and a resolution passed by our Shareholders on July 8, 2022, we have undertaken a sub-division of equity shares of ₹10 each to Equity Shares having face value of ₹1 each. Accordingly, our paid-up Equity Share capital changed from 9,510,564 equity shares bearing a face value of ₹10 each to 95,105,640 Equity Shares bearing a face value of ₹1 each.

- Our Board of Directors pursuant to a resolution dated May 24, 2022 and the Shareholders pursuant to a special resolution dated July 8, 2022 have approved the bonus issue of 9,510,564 Equity Shares in the ratio of one Equity Share for every ten existing fully paid-up Equity Shares which were allotted to the Shareholders on July 11, 2022. Accordingly, the paid-up Equity Share capital of our Company has increased to 104,616,204 Equity Shares.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) pending material litigation, in each case involving our Company, Directors or Promoters. Further, except as stated in this section, (a) there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

*For the purpose of (iv) above, our Board in its meeting held on August 9, 2022, has considered and adopted a policy of materiality for identification of material litigation involving our Company, Directors or Promoters ("**Materiality Policy**"). The consolidated profit after tax as per the Restated Consolidated Financial Information for Fiscal 2022 was ₹ 1,749.29 million. In terms of the Materiality Policy, any outstanding litigation involving our Company which exceeds the amount equivalent to 1% of the consolidated profit after tax as per the Restated Consolidated Financial Information for Fiscal 2022, would be considered 'material' for disclosure in this Draft Red Herring Prospectus. Based on above, ₹ 17.49 million, which is 1% of the consolidated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company for Fiscal 2022, has been considered as the materiality threshold. Accordingly, disclosures of the following types of litigation involving Company, Directors or Promoters have been included:*

a) *where the aggregate amount involved in such individual litigation exceeds ₹ 17.49 million individually, which is 1% of the consolidated profit after tax of our Company as per the Restated Consolidated Financial Information of our Company for Fiscal 2022;*

b) *where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, or reputation of our Company;*

c) *other than the litigations covered in (a) above where Promoters and Directors are party to such litigation, all outstanding civil litigation, where an adverse outcome would materially and adversely affect our Company.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, in terms of our Materiality Policy, outstanding dues to any creditor of our Company having monetary value which exceeds 5% of total trade payables of our Company as on the date of the latest Restated Consolidated Financial Information of our Company shall be considered as 'material'. The total trade payables as on March 31, 2022 based on the Restated Consolidated Financial Information of our Company was ₹ 831.06 million. Accordingly, any outstanding dues exceeding ₹ 41.55 million which is 5% of total trade payables of our Company as on March 31, 2022 based on the Restated Consolidated Financial Information of our Company, have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), the disclosure will be based on information available with our Company regarding status of the creditor under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.*

For the purposes of the above, pre-litigation notices received by our Company, Promoters or Directors from third parties (excluding those notices issued by statutory or regulatory or taxation authorities) shall not, unless otherwise decided by the board of directors of our Company, be considered material until such time that our Company, Promoters or Directors, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

We have disclosed matters relating to direct and indirect taxes involving our Company, Directors and Promoters (as applicable) in a consolidated manner giving details of number of cases and total amount involved in such claims and details of such matters wherein the amount involved exceeds the threshold specified above.

All terms defined in a particular litigation disclosure below correspond to that particular litigation only.

Litigation involving our Company

I. Litigation against our Company

Criminal Litigation

Nil

Material civil litigation

Nil

Actions taken by Regulatory and Statutory Authorities

Nil

Tax litigations

A show-cause notice dated January 29, 2020 was issued to our Company by Commissioner Central Tax, Audit Commissionerate, Ahmedabad, pursuant to an inspection carried out at the premises of our Company. An audit of records of our Company was conducted for the period from January 2015 to June 2017, pursuant to which an order dated November 23, 2021 was passed by the Commissioner of Central Goods and Services Tax and Excise, Ahmedabad which held that our Company was in contravention of (a) Central Excise (Removal of Goods at Concessional Rate of Duty for Manufacture of Excisable and Other Goods) Rules, 2016 and Central Excise Act, 1944, due to clearing of bulk drugs without adhering to applicable procedures and payment of applicable excise duty under the relevant guidelines; and (b) CENVAT Credit Rules, 2004 for not reversing the CENVAT credit availed on destroying the expired sample drugs and availing CENVAT credit on renting of motor vehicles. Accordingly, a penalty of ₹ 37.64 million (excluding interest) was imposed on our Company. Our Company has filed an appeal on February 21, 2022 against the abovementioned order before the Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad on the grounds that, *inter alia*, mere failure to undertake procedural formalities does not debar the Company from availing the substantive benefit under the exemption notification and that this is a case of export of goods, which does not warrant the excise duty. The matter is currently pending.

II. Litigation by our Company

Criminal Litigation

Nil

Material Civil Litigation

Nil

I. Litigation involving our Promoters

Litigation against our Promoters

Criminal Litigation

Nil

Material Civil Litigation

Nil.

Actions taken by Regulatory and Statutory Authorities

Nil

Litigation by our Promoter

Criminal Litigation

Nil.

Civil Litigation

Nil.

II. Litigation involving our Directors

Litigation against our Directors

Criminal Litigation

Nil

Civil Litigation

Nil.

Actions taken by Regulatory and Statutory Authorities

Nil

Litigation by our Directors

Criminal Litigation

Nil.

Material Civil Litigation

Nil.

III. Except as disclosed below, there are no proceedings related to direct and/ or indirect taxes pending against our Company, Promoters and Directors:

Nature of case	Number of cases	Amount involved (in ₹ million)
Our Company		
Direct Tax	5	95.55
Indirect Tax	1^	37.64
Our Promoter(s)		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors#		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

^ Including the disclosures under " – Litigations involving our Company – Litigations against our Company – Tax Litigations" on page 272.

Outstanding dues to creditors

In terms of the Materiality Policy, creditors of our Company to whom an amount exceeding 5% of our total trade payables as of March 31, 2022 based on the Restated Consolidated Financial Information of our Company was outstanding, were considered 'material' creditors. As per the Restated Consolidated Financial Information, our total trade payables as of March 31, 2022, was ₹ 831.06 million and accordingly, creditors to whom outstanding dues exceed ₹ 41.55 million have been considered as material creditors for the purposes of disclosure in this Draft Red Herring Prospectus.

Based on this criteria, details of outstanding dues owed as of March 31, 2022 by our Company are set out below:

Type of creditors	Number of Creditors	Amount (in ₹ million)
Micro, Small and Medium Enterprises	144	89.68
Material creditors	2	221.23
Other creditors	591	520.15
Total	**737**	**831.06**

The details pertaining to outstanding dues towards our material creditors are available on the website of our Company at www.concordbiotech.com/investors.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant developments occurring after March 31, 2022 or significant economic changes that materially affected or are likely to affect income from continuing operations*" on page 270 and in this Draft Red Herring Prospectus, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below a list of material approvals, consents, licences and permissions from various governmental and regulatory authorities required to be obtained by our Company which are considered material and necessary for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals listed below, our Company can undertake this Offer and its business activities, as applicable. In addition, certain of Material Approvals of our Company may have lapsed or expired or may lapse in their normal course and our Company has either already made applications to the appropriate authorities for renewal of such Material Approvals or are in the process of making such renewal applications in accordance with applicable requirements and procedures. Unless otherwise stated, Material Approvals as set out below, are valid as on date of this Draft Red Herring Prospectus.*

For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "Risk Factors - We are subject to extensive government regulations, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required for our business operations, our business, financial condition, results of operations and cash flows may be adversely affected" on page 31. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 151.

I. Incorporation related approvals of our Company

1. Certificate of incorporation dated November 23, 1984, under the name 'Servomed Pharmaceuticals Private Limited' issued by the RoC to our Company.

2. Fresh certificate of incorporation dated September 24, 1985 issued by the RoC to our Company consequent upon change of name to 'Concord Pharmaceuticals Private Limited'.

3. Fresh certificate of incorporation dated February 16, 2001 issued by the RoC to our Company consequent upon change of name to 'Concord Biotech Limited'.

4. Fresh certificate of incorporation dated November 07, 2001 issued by the RoC to our Company consequent upon change of status of company from deemed public limited company to public limited company with name of Concord Biotech Limited.

II. Approvals in relation to the Offer

For the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 277.

III. Material Approvals in relation to business operations of our Company

(1) *Material Approvals in relation to our business operations*

In order to operate our manufacturing facilities in India, our Company requires various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses, *inter alia*, include (a) licenses under the Factories Act, 1948, (b) licenses under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, (c) approval from the central and state pollution control board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management, Transboundary Movement) Rules, 2008 framed under the Environmental (Protection) Act, 1986, (d) registration for research institution, other than a hospital by Department of Scientific and Industrial Research, Ministry of Science and Technology, (e) Fire no-objection certificates from regional authorities (f) license to import and store petroleum in an installation under Petroleum Rules, 2002,(g) registration under Narcotics Drugs and Psychotropic Substances Act, 1985 (h) boiler and economizer certificates under Boilers Act, 1923 and (i) certification for adhering to the World Health Organisation – Good Manufacturing Practices by regional drug authorities.

(2) *Material Approvals for which applications have been made*

We have obtained the material permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our facilities. Certain approvals may have lapsed in their normal course and our Company has made applications to the appropriate authorities for renewal of such licenses, trademarks and/or approvals or is in the process of making such applications. Details of such applications made are set out below:

- trademark of our Company's logo "Concord Biotech" along with its tagline "Biotech for Mankind".
- Renewal of certificate of boiler number GT-5236 at Unit-I from Gujarat Boiler Inspection Department under Boilers Act, 1923.

(3) *Foreign trade related approvals*

Our Company has obtained an importer exporter code bearing number 0888010109 from the Office of Additional Directorate General of Foreign Trade, Department of Commerce, Ministry of Commerce and Industry, Government of India on November 16, 1989. This code is valid until cancelled.

(4) *Tax related approvals*

Our Company has obtained registrations under various central and state specific tax laws such as the Income Tax Acts, 1961, goods and service tax acts, state specific profession tax acts. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws. Our permanent account number is AAACC8514G and our tax deduction account number is AHMC00391G.

(5) *Labour related approvals*

Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, as amended, the Employees State Insurance Act, 1948 as amended, the Contract Labour (Regulations and Abolition Act), 1970, as amended and the relevant shops and establishment legislations, as applicable state-wise.

IV. Intellectual property related approvals of our Company

As the date of this Draft Red Herring Prospectus, our Company has 2 registered patents in the USA. Further, our Company has 54 registered trademarks and has applied for 22 trademarks which are pending at various stages in India. For details. See "*Our Business – Intellectual Property*" on page 149.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board pursuant to a resolution passed at its meeting held on May 24, 2022. Further, our Board, pursuant to its resolution dated August 9, 2022, has taken on record the consent of the Offer for Sale by the Selling Shareholder. Our Board and the IPO Committee have approved this Draft Red Herring Prospectus pursuant to their resolutions dated August 9, 2022 and August 12, 2022, respectively.

The Selling Shareholder has authorised and confirmed inclusion of their portion of the Offered Shares as part of the Offer for Sale, as set out below:

Selling Shareholder	Number of Offered Shares	Amount of Offered Shares (In ₹ million)	Date of consent letter	% of the pre-Offer paid-up Equity Share capital of our Company
Helix	Up to 20,925,652 Equity Shares	Up to [●]	August 8, 2022	20.00%

Our Company received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by SEBI or other governmental authorities

Our Company, Promoters, the Selling Shareholder, Directors, members of our Promoter Group are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Our Directors and Promoters are not directors or promoters of any other company which has been debarred from accessing the capital markets by SEBI.

Our Company, Promoters and Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

Our Promoters or Directors have not been declared as Fugitive Economic Offenders.

Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, the Selling Shareholder and members of our Promoter Group, are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended, to the extent applicable to each of them as on the date of this Draft Red Herring Prospectus.

Directors associated with the securities market

Except Utpal Sheth, who is associated with Trust Mutual Fund (Trust Asset Management Private Limited) as a director, Trustplutus Family Office and Investment Advisers (India) Private Limited as a director and a shareholder, none of our Directors are associated with the securities market in any manner including securities market related business.

There are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations as set out under the eligibility criteria and as derived from the Restated Consolidated Financial Information:

(a) Our Company has had net tangible assets of at least ₹ 30 million, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each);

(b) Our Company has an average operating profit of at least ₹ 150 million, calculated on a restated and consolidated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;

(c) Our Company has a net worth of at least ₹ 10 million in each of the preceding three full years (of 12 months each), calculated on a restated and consolidated basis; and

(d) Our Company has not changed its name in the last one year.

Unless stated otherwise, our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, operating profits and net worth, have been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three Financial Years, which are set forth below:

Table A: Statement showing the calculation of Restated Monetary Assets to Restated Net Tangible Assets of the Company and its joint venture as at March 31, 2022, 2021 and 2020, as per Restated Consolidated Financial Information

Statement of monetary assets as a percentage of net tangible assets

(*₹ in million, unless otherwise stated*)

Description	As at March 31		
	2022	2021	2020
Restated Net Tangible Assets (Note 1) **(A)**	11,211.54	10,111.89	7,861.01
Restated Monetary Assets (Note 2) **(B)**	1,613.92	2,011.32	2,005.13
% of Restated Monetary Assets to Restated Net Tangible Assets (B/A)	**14.40%**	**19.89%**	**25.51%**

Notes:

Note 1: Composition of Restated Net Tangible Assets

(*₹ in million, unless otherwise stated*)

Description	As at March 31		
	2022	2021	2020
Non-Current Assets:			
- Property, Plant and Equipment	5,680.31	5,376.47	2,363.14
- Capital Work-in-Progress	741.56	179.46	1,414.05
- Investments	2.56	3.66	8.15
- Loans	-	-	-
- Other Financial Assets	24.96	27.72	54.10
- Income Tax Assets (net)	36.04	17.03	-
- Other Non-Current Assets	266.39	63.94	147.00
Current Assets	6,326.66	6,071.47	5,385.83
Total (A)	**13,078.48**	**11,739.75**	**9,372.27**
Non-Current Liabilities:			
- Borrowings	312.48	562.50	355.28
- Other Financial Liabilities	-	-	-
- Provisions	18.74	20.98	15.94
Current Liabilities:			
- Borrowings	293.38	300.99	125.00
- Trade Payables			
total outstanding dues of micro enterprises and small enterprises	89.68	83.29	66.69
total outstanding dues of creditors other than micro enterprises and small enterprises	741.38	380.68	645.64
- Other Financial Liabilities	216.40	228.20	73.01
- Other Current Liabilities	177.40	44.62	209.04
- Provisions	17.48	6.60	2.84
- Current Tax Liabilities (net)	-	-	17.82
Total (B)	**1,866.94**	**1,627.86**	**1,511.26**
Restated Net Tangible Assets (Note 1.1) (A-B)	**11,211.54**	**10,111.89**	**7,861.01**

Note 1.1: Restated Net Tangible Assets means the sum of all net assets of the Group, excluding Intangible

Assets as defined in Indian Accounting Standard (Ind AS) 38 - Intangible Assets and Deferred Tax Liability as defined in Indian Accounting Standard (Ind AS) - Income Taxes

Note 2: Composition of Restated Monetary Assets

(*₹ in million, unless otherwise stated*)

Description	As at March 31		
	2022	2021	2020
Cash and Cash Equivalents			
- Cash on hand	0.12	0.16	0.12
- Cheques and drafts on hand	-	-	-
- Remittance-in-transit	-	-	-
- Balances with banks			
Current account	6.55	51.23	23.96
EEFC accounts	-	0.05	-
Deposits with original maturity of less than 3 months	-	-	-
Other Bank Balances			
Other Bank Balances	882.65	556.76	1.78
Less: Deposit under lien (Note 2.1)	(10.15)	(6.76)	(1.78)
Investments			
Investment in mutual funds - current	734.75	1,409.88	1,981.05
Restated Monetary Assets	**1,613.92**	**2,011.32**	**2,005.13**

Note 2.1: Restated Monetary Assets excludes balances with banks as margin money relating to borrowings / direct assignment which are not be readily available for utilisation by the Group.

Table B: Statement of average pre-tax operating profit, as per Restated Consolidated Financial Information for the years ended March 31, 2022, 2021 and 2020

(*₹ in million, unless otherwise stated*)

Description	Year ended March 31		
	2022	2021	2020
Restated Profit before tax	2,375.18	3,127.20	2,136.38
Add: Finance Cost	54.84	6.66	6.99
Less: Other Income	(234.16)	(138.07)	(312.62)
Add: Exceptional items	-	-	-
Pre-tax operating profit (excluding other income and exceptional items)	**2,195.86**	**2,995.79**	**1,830.75**
Average of the pre-tax operating profit based on the preceding three years (March 31, 2022, 2021 and 2020)			**2,340.80**

"Pre-tax operating profit" is defined as profit before finance costs, other income and tax expense.

Table C: Statement showing net-worth as per Restated Consolidated Financial Information as at March 31, 2022, 2021 and 2020

(*₹ in million, unless otherwise stated*)

Description	As at March 31		
	2022	2021	2020
Net-worth (Note 3)			
- Equity Share Capital **(A)**	95.11	95.11	95.11
- Other Equity attributable to Owners of the Company (Note 4) **(B)**	10,937.12	9,898.62	7,607.23
Total (A+B)	**11,032.23**	**9,993.73**	**7,702.34**

Note 3: Net-worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation as on March 31, 2022, 2021 and 2020. Therefore, net worth for the company includes Paid-up Share Capital, Retained Earnings, General Reserve and Securities Premium.

Note 4: Other Equity includes the following:

(*₹ in million, unless otherwise stated*)

Description	As at March 31		
	2022	2021	2020
Securities Premium	829.22	829.22	829.22
Retained Earnings	9,815.72	8,777.22	6,485.83
General Reserve	292.18	292.18	292.18
Total	**10,937.12**	**9,898.62**	**7,607.23**

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable. Our Company is in compliance with the conditions specified in Regulation 5 of the SEBI ICDR Regulations. The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

(a) None of our Company, our Promoters, members of our Promoter Group, our Directors or the Selling Shareholder are debarred from accessing the capital markets by the SEBI.

(b) None of our Promoters or Directors are promoters or directors of companies which are debarred from accessing the capital markets by the SEBI.

(c) None of our Company, our Promoters or Directors is a Wilful Defaulter or Fraudulent Borrower.

(d) None of our Promoters or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

(e) There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

The Selling Shareholder confirms that it has held the Offered Shares for a continuous period of at least one year prior to the date of this Draft Red Herring Prospectus or are otherwise eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations.

Our Company confirms that it is also in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(1) of the SEBI ICDR Regulations we are required to allot not more than 50% of the Net Offer to QIBs. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000 and should our Company fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and applicable law.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED AND

JEFFERIES INDIA PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF OR ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 12, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGERS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

Disclaimer from our Company, the Directors, the Selling Shareholder, the Book Running Lead Managers

Our Company, the Directors, the Selling Shareholder, the Book Running Lead Managers accept no responsibility for statements made in relation to the Company or the Offer other than those confirmed by it in relation to itself or its Offered Shares in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website, www.concordbiotech.com, or the websites of the members of our Promoter Group or our Subsidiaries, or our Group Company would be doing so at his or her own risk. The Selling Shareholder, including its directors, affiliates, associates and officers, accepts or undertakes no responsibility for any statements made or undertakings provided, including without limitation, any statement made by or in relation to the Company or its business, other than those specifically undertaken or confirmed in relation to itself and its respective portion of the Offered Shares.

The Book Running Lead Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder (to the extent that the information pertain to itself and the Offered Shares), the Book Running Lead Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, allot, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, Underwriters and their respective directors, partners, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Book Running Lead Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers to our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction other than in India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable 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 and referred to in this Draft Red Herring Prospectus as "**U.S. QIBs**") 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. For the avoidance of doubt, the term "**U.S. QIBs**" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act unless made pursuant to Rule 144A or another available exemptions from or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholder and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, 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;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, or (iii) pursuant to another available exemption from the registration requirements under the U.S. Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY

BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN "OFFSHORE TRANSACTION" COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

9. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. The purchaser acknowledges that our Company, the Selling Shareholder, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, the Selling Shareholder and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company, the Selling Shareholder and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly, 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;

3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements

of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, or (iii) pursuant to another available exemption from the registration requirements under the U.S. Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

   THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, OR (3) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

10. the purchaser acknowledges that our Company, the Selling Shareholder, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, the Selling Shareholder and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company, the Selling Shareholder, the BRLMs and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Disclaimer Clause of NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to filing with the RoC.

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholder undertakes to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholder in relation to the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance officer, legal counsels, the Book Running Lead Managers, the bankers to our Company, F&S, Statutory Auditors**,** independent chartered engineer, independent intellectual property consultant and the Registrar to the Offer to act in their respective capacities, have been obtained and consents in writing of the Syndicate Members, Bankers to the Offer (Escrow Collection Bank, Public Offer Account Bank, Sponsor Bank and Refund Bank) to act in their respective capacities, will be obtained, and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus for filing with the RoC.

Experts to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated August 12, 2022 from our Statutory Auditor, namely, Deloitte Haskins & Sells to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of their (a) examination report dated August 9, 2022 on the Restated Consolidated Financial Information, (b) report dated August 12, 2022 on the statement of special tax benefits. Such consents have not been withdrawn as on the date of this DRHP. However, the term "expert" and "consent" shall not be construed to mean an "expert" and "consent" as defined under the U.S. Securities Act.

Our Company has received written consent dated July 10, 2022, from Jagdishchandra Mistry to include their name in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated August 10, 2022 certifying manufacturing capacity and capacity utilization of the manufacturing facilities owned and controlled by the Company along with

the existing installed manufacturing capacity for each product and capacity utilization for each such products in the manufacturing facilities in the last three years included under "*Our Business – Manufacturing Facilities and Approvals – Production Capacity, Actual Production Volume and Capacity Utilization*" on page 144 and such consent has not been withdrawn as on the date of this DRHP.

Our Company has also received written consent dated August 11, 2022 from Edipilis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to the intellectual property rights of our Company and in respect of their certificate dated August 12, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii) manufacturing facilities and research and development facilities of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.

Our Company has received written consent dated August 11, 2022 from O.R. Maloo & Co., Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Last issue of subsidiaries and promoters

As on date of this Draft Red Herring Prospectus, our Company does not have a corporate promoter or a subsidiary.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public offer of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

Capital issue during the previous three years by listed subsidiaries or associates of our Company

Our Company does not have any Subsidiaries or listed associates, as on the date of this Draft Red Herring Prospectus

Capital issue during the preceding three years by our Company

Other than as disclosed in "*Capital Structure – Equity Share capital history of our Company*" on page 71, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, our Company has not made any public or rights issue in the last five years.

Price information of past issues handled by the Book Running Lead Managers (during the current Financial Year and two Financial Years preceding the current Financial Year)

A. Kotak Mahindra Capital Company Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Aether Industries Limited	8,080.44	642	June 03, 2022	706.15	+21.00%[-5.13%]	-	-
2.	Delhivery Limited	52,350.00	493[1]	May 24, 2022	493.00	3.49%[-4.41%]	-	-
3.	Life Insurance Corporation Of India	205,572.31	949[2]	May 17, 2022	867.20	-27.24%[-3.27%]	-	-
4.	Rainbow Children's Medicare Limited	1,580.85	542[3]	May 10, 2022	510.00	-13.84%, [+0.72%]	-12.80%,[+7.13%]	-
5.	Campus Activewear Limited	1399.60	292[4]	May 9, 2022	360.00	+11.92%, [+0.70%]	+41.71%,[+6.72%]	-
6.	Vedant Fashions Limited	31,491.95	866	February 16, 2022	935.00	+3.99%, [-0.20%]	+14.53%,[-8.54%]	-
7.	Adani Wilmar Limited	36,000.00	230[5]	February 8, 2022	227.00	+48.00%, [-5.34%]	+180.96%,[-4.95%]	+193.26%[+0.76%]
8.	C.E. Info Systems Limited	10,396.06	1,033	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [-67.85%]	21.40% [-8.80%]
9.	Rategain Travel Technologies Limited	13,357.43	425[6]	December 17, 2021	360.00	+11.99%, [+7.48%]	- 31.08%, [-0.06%]	-35.24%[-7.38%]
10.	Star Health And Allied Insurance Company Limited	64,004.39	900[7]	December 10, 2021	845.00	-14.78%, [+1.72%]	- 29.79%, [-6.66%]	-22.21%, [-6.25%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Delhivery Limited, the issue price to eligible employees was ₹ 468 after a discount of ₹ 25 per equity share*
2. *In Life Insurance Corporation of India, the issue price to retail investors and eligible employees was ₹ 904 after a discount of ₹ 45 per equity share and the issue price to eligible policyholders was ₹ 889 after a discount of ₹ 60 per equity share*
3. *In Rainbow Children's Medicare Limited, the issue price to eligible employees was ₹ 522 after a discount of ₹ 20 per equity share*
4. *In Campus Activewear Limited, the issue price to eligible employees was ₹ 265 after a discount of ₹ 27 per equity share*
5. *In Adani Wilmar Limited, the issue price to eligible employees was ₹ 209 after a discount of ₹ 21 per equity share*
6. *In Rategain Travel Technologies Limited, the issue price to eligible employees was ₹ 385 after a discount of ₹ 40 per equity share*
7. *In Star Health And Allied Insurance Company Limited, the issue price to eligible employees was ₹ 820 after a discount of ₹ 80 per equity share*
8. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
9. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
10. *Designated Stock Exchange as disclosed by the respective Issuer at the time of the issue has been considered for disclosing the price information.*
11. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	5	295,807.24	-	1	1	-	-	3	-	-	-	-	-	-
2021-22	19	624,047.99	-	-	5	5	5	4	1	4	2	8	1	2
2020-21	6	140,143.77	-	-	1	2	1	2	-	-	-	4	1	1

Notes:

1. The information is as on the date of this Draft Red Herring Prospectus.
2. The information for each of the financial years is based on issues listed during such financial year.

B. Citigroup Global Markets India Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Citigroup Global Markets India Private Limited.

S. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Delhivery Limited	52,350.0	487.00	May 24, 2022	495.20	+3.49% [-4.41%]	NA	NA
2	Life Insurance Corporation of India	205,572.3	949.00	May 17, 2022	872.00	-27.28% [-3.49%]	NA	NA
3	Star Health and Allied Insurance Company Limited	64,004.39	900.00	December 10, 2021	845.00	-14.78%[+1.96%]	-29.79%[-6.66%]	-22.21%[-6.25%]
4	One 97 Communications Limited	183,000.00	2,150.00	November 18, 2021	1,955.00	-38.56%[-4.17%]	-60.40%[-2.32%]	-72.49%[-10.82%]
5	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86%[-4.17%]	-20.52%[-4.06%]	-33.86%[-12.85%]
6	FSN E-Commerce Ventures Limited	53,497.24	1,125.00	November 10, 2021	2,018.00	92.31%[-2.53%]	68.46%[-4.46%]	36.80%[-8.91%]
7	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.4%[-0.98%]	-23.85%[-0.51%]	-25.65%[-0.90%]
8	Aptus Value Housing Finance India Limited	27,800.52	353.00	August 24, 2021	333.00	-2.82%[+5.55%]	-0.82%[+7.38%]	+0.62%[+6.86%]
9	Cartrade Tech Limited	29,985.13	1,618.00	August 20, 2021	1,599.80	-10.31%[+6.90%]	-32.68%[+9.24%]	-61.17%[+8.80%]
10	Zomato Limited	93,750.00	76.00	July 23, 2021	116.00	+83.29%[+3.75%]	+81.45%[+15.20%]	+75.07%[14.23%]

Source: www.nseindia.com

Notes:

1. Nifty is considered as the benchmark index.
2. % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs. Issue Price. % change in closing benchmark index is calculated based on closing index on listing day vs. closing index on 30th / 90th / 180th calendar day from listing day.
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on NSE of a trading day immediately prior to the 30th / 90th / 180th day, is considered.

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited.

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ mn)	No. of IPOs trading at discount – 30th calendar days from listing			No. of IPOs trading at premium – 30th calendar days from listing			No. of IPOs trading at discount – 180th calendar days from listing			No. of IPOs trading at premium – 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	257,922.30	-	1	-	-	-	1	1	-	1	-	-	-
2021-22	8	5,36,816.99	-	1	4	2	-	1	1	1	-	1	1	1
2020-21	3	98,142.45	-	-	2	-	1	-	-	1	1	1	-	1

Source: www.nseindia.com

Notes:
(1) The information is as on the date of the document.
(2) The information for each of the financial years is based on issues listed during such financial year.
(3) Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

C. Jefferies India Private Limited

1. Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Jefferies India Private Limited

S. No.	Issue Name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	CMS Info Systems Limited	20,000.00	216	December 31, 2021	220.00	+21.97% [-1.45%]	+25.49% [0.83%]	+3.87% [8.67%]
2.	Star Health and							
3.	Allied Insurance							
4.	Company Limited	64,004.39	900.00@	December 10, 2021	845.00	-14.78% [+1.72%]	-29.79% [-6.66%]	-22.21% [-6.25%]
5.	PB Fintech Limited	57,097.15	980.00	November 15, 2021	1,150.00	14.86% [-4.33%]	-20.52% [-4.06%]	-34.16% [-12.85%]

** A Discount of ₹ 110 per equity was offered to eligible employees bidding in the employee reservation portion.*
 # Discount of ₹ 97 per equity share was offered to eligible employees bidding in the employee reservation portion.
@ A discount of ₹ 80 per equity share to eligible employees bidding in the employee reservation portion.

Source: All data sourced from www.nseindia.com.

a. Benchmark index considered is NIFTY
b. In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.
c. Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

2. Summary statement of price information of past issues handled by Jefferies India Private Limited

Fiscal Year*	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	0	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	3	121,101.54	-	-	1	-	-	2	-	1	1	-	-	1
2020-21	1	5,829.13	-	-	-	1	-	-	-	-	-	1	-	-

Track record of past issues handled by the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular bearing number CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as provided in the table below:

S. No.	Name of the Book Running Lead Managers	Website
1.	Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
2.	Citigroup Global Markets India Private Limited	http://www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
3.	Jefferies India Private Limited	www.jefferies.com

Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Redressal and disposal of investor grievances by our Company

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares to enable the Bidders to approach the Registrar to the Offer for redressal of their grievances.

All grievances, other than of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving full details such as name of the sole or First Bidder, ASBA Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of ASBA Form and the name and address of the relevant Designated Intermediary where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediary in addition to the documents or information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or First Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Book Running Lead Managers where the Bid cum Application Form was submitted by the Anchor Investor.

In case of any delay in unblocking of amounts in the ASBA Accounts exceeding four Working Days from the Bid / Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day for the entire duration of delay exceeding four Working Days from the Bid / Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism has become applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is

Scenario	Compensation amount	Compensation period
		placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹ 100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted / partially Allotted applications	₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Book Running Lead Managers shall be liable to compensate the investor ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

For helpline details of the Book Running Lead Managers pursuant to the SEBI/HO/CFD/DIL-2/OW/P/2021/2481/1/M dated March 16, 2021, see "*General Information – Book Running Lead Managers*" on page 63.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Book Running Lead Managers and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under the SEBI ICDR Regulations. Bidders can contact our Company Secretary and Compliance officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Our Company has also appointed Prakash Sajnani, Company Secretary and Compliance officer for the Offer. For details, see "*General Information*" on page 62.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 (seven) days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints within 30 days of receipt of complaint or upon receipt of satisfactory documents.

Our Company has not received any investor complaint during the three years preceding the date of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of this Draft Red Herring Prospectus. Furthermore, our Company does not have any listed group companies or subsidiaries.

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number CIR/OIAE/1/2013 dated April 17, 2013 read with SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 and shall comply with SEBI circular bearing number CIR/OIAE/1/2014 dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders' Relationship Committee comprising Rajiv Ambrish Agarwal (Non-Executive Nominee Director) as Chairman, Jayaram Easwaran (Independent Director); and Ravi Kapoor (Non-Executive Director) as its members which is responsible for redressal of grievances of security holders of our Company. For further details on the Stakeholders' Relationship Committee, see "*Our Management – Committees of the Board – Stakeholders*' *Relationship Committee*" on page 177.

Exemptions from complying with any provision of securities laws, if any, granted by the SEBI

Our Company has not sought an exemption from complying with any provisions of securities laws by the SEBI.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SEBI Listing Regulations, SCRA, SCRR, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN or Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents or certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting their approval for the Offer.

The Offer

The Offer comprises of an Offer for Sale by the Selling Shareholder. The Offer expenses are estimated to be approximately ₹ [●] million. Other than (a) listing fees payable to the Stock Exchanges which will be borne by the Company, (b) audit fees of statutory auditors (to the extent not attributable to the Offer) which will be borne by the Company, (c) expenses for any product or corporate advertisements consistent with past practice of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer) which will be borne by the Company, (d) fees and expenses in relation to the legal counsel to the Selling Shareholder which shall be borne by the Selling Shareholder and (e) fees and expenses payable to Lead Managers, which will be payable in accordance with the Offer Agreement, all costs, charges, fees and expenses associated with and incurred in connection with the Offer shall be paid first by the Company and shall be reimbursed by the Selling Shareholder in accordance with the Applicable Laws, upon completion of the Offer.

Ranking of Equity Shares

The Equity Shares being offered/Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend, voting and other corporate benefits. For further details, see "*Main Provisions of Articles of Association*" on page 328.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, our Articles of Association and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of Articles of Association*" on pages 187 and 328, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹ 1 and the Offer Price is ₹[●] per Equity Share. The Floor Price is ₹[●] per Equity Share and at the Cap Price is ₹[●] per Equity Share, being the Price Band. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Managers and advertised in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price and discount (if any) shall be determined

by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, after the Bid/Offer Closing Date.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and "e-voting", in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability of Equity Shares, subject to applicable laws, rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission, consolidation or sub-division, see "*Main Provisions of Articles of Association*" on page 328.

Allotment only in Dematerialised Form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite agreement dated June 29, 2022 amongst our Company, CDSL and the Registrar to the Offer.
- Tripartite agreement dated January 24, 2006 between our Company, NSDL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For further details, see "*Offer Procedure*" on page 306.

Jurisdiction

The courts of Ahmedabad, India will have exclusive jurisdiction in relation to this Offer.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity

Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer or alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or
b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised mode there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change their nomination, they are requested to inform their respective Depository Participant.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Book Running Lead Managers through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of the UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of the withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

Bid/Offer programme

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)(3)]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account[*]	On or about [●]

Event	Indicative Date
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

1. *Our Company and the Selling Shareholder shall, 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 in accordance with the SEBI ICDR Regulations.*

2. *Our Company and the Selling Shareholder shall, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

3. *UPI mandate end time and date shall be at 12.00 p.m. on [●].*

* *In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds*.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholder or the Book Running Lead Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, the timetable may be subject to change due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges or delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholder confirms that it shall extend reasonable co-operation requested by our Company and/or the Book Running Lead Managers, for the timely completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI.

In terms of the UPI Circulars, in relation to the Offer, the Book Running Lead Managers will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**"))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding under the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the Book Running Lead Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday).

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Offer. Bids and any revision in Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor the Selling Shareholder, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the Face Value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price provided that the Cap Price shall be at least 105% of the Floor Price.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, 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, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and by intimation to Self-Certified Syndicate Banks ("SCSBs"), other Designated Intermediaries and the Sponsor Bank, as applicable.

Minimum Subscription

As this is an offer for sale by the Selling Shareholder, the requirement of minimum subscription of 90% of the Offer under the SEBI ICDR Regulations is not applicable to this Offer. However, if our Company does not receive the minimum subscription in the Offer as specified under the terms of Rule 19(2)(b) of the SCRR, including through the devolvement of Underwriters, in accordance with the applicable laws, after the Bid/Offer Closing

Date, of if the level of subscription falls below the threshold specified above on account of withdrawal of applications or after technical rejections or for any other reason whatsoever; or if the listing or trading permission are not obtained from the Stock Exchanges for the Equity Shares so offered under the Offer document, our Company and the Selling Shareholder, to the extent applicable, shall forthwith refund the entire subscription amount received. If there is a delay in refunding the amount beyond four days, our Company shall pay interest at the rate of 15% per annum in accordance with the UPI Circulars. The Selling Shareholder shall reimburse, to the extent of the Equity Shares offered by the Selling Shareholder in the Offer, any expenses and interest incurred by our Company on behalf of the Selling Shareholder for any delays in making refunds as required under the Companies Act, 2013, the UPI Circulars and any other applicable law, provided that the Selling Shareholder shall not be responsible or liable for payment of such expenses or interest if such delay is not attributable to an act or omission of such Selling Shareholder in relation to its portion of the Offered Shares.

Under subscription, if any, in any category except the QIB portion, would be met with spill-over from the other categories at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange.

Further, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholder and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

Since the Equity Shares will be traded in dematerialised form only, and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 70 and except as provided in the Articles of Association, there are no restrictions on transfer or transmission of Equity Shares. For details see "*Main Provisions of Articles of Association*" on page 328.

OFFER STRUCTURE

The Offer is of up to 20,925,652 Equity Shares for cash at a price of ₹[●] each, aggregating up to ₹[●] million, comprising an Offer for Sale of up to 20,925,652 Equity Shares aggregating up to ₹[●] million by Helix.

The Offer comprises of a Net Offer of up to [●] Equity Shares and Employee Reservation Portion of up to [●]* Equity Shares. The Employee Reservation Portion shall not exceed [●]% of our post-Offer paid-up Equity Share capital. The Offer and the Net Offer shall constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	RIBs
Number of Equity Shares available for Allotment or allocation*(2)	Up to [●] Equity Shares	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment or allocation	The Employee Reservation Portion shall constitute up to [●]% of the Offer Size	Not more than 50% of the Net Offer being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion	Not less than 15% of the Net Offer or the Offer less allocation to QIB Bidders and RIBs was available for allocation, out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 0.2 million and up to ₹ 1 million; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Investors	Not less than 35% of the Net Offer or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Basis of Allotment if respective category is oversubscribed*	Proportionate#; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding ₹200,000, subject to total Allotment to an Eligible Employee not exceeding ₹500,000.	Proportionate as follows (excluding the Anchor Investor Portion): a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.	The allotment to each NII shall not be less than the minimum application size, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis, in accordance with the conditions specified in the SEBI ICDR Regulations subject to: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares are	The allotment to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be Allotted on a proportionate basis. For further details, see "*Offer Procedure*", beginning on page 306

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	RIBs
		c) Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.	reserved for Bidders Biddings more than ₹ 200,000 and up to ₹ 1,000,000; b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares are reserved for Bidders Bidding more than ₹ 1,000,000. Provided that the unsubscribed portion in either of the categories specified in (a) or (b) above, may be allocated to Bidders in the other category.	
Mode of Bid	ASBA only (including the UPI Mechanism)	ASBA only (excluding the UPI Mechanism) except for Anchor Investors [(3)]	ASBA only (including the UPI Mechanism for Bids up to ₹ 5,00,000)	ASBA only (including the UPI Mechanism)
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹200,000	[●] Equity Shares
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares, so that the maximum Bid Amount by each Eligible Employee in Eligible Employee Portion does not exceed ₹500,000.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the non QIB portion),subject to limits applicable to each Bidder	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to limits applicable to Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter			
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter			
Trading Lot	One Equity Share			
Who can apply[(4)]	Eligible Employees (such that the Bid Amount does not exceed ₹ 0.5 million)	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, multilateral and bilateral development financial institutions, mutual funds registered with SEBI, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, registered with SEBI, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, family offices, trusts, FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of Karta) and Eligible NRIs applying for Equity Shares such that the Bid amount does not exceed ₹0.2 million in value.

Particulars	Eligible Employees[#]	QIBs[(1)]	Non-Institutional Bidders	RIBs
		corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs, in accordance with applicable laws including FEMA Rules.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids.[(5)] **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder, or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.			

* *Assuming full subscription in the Offer.*

 # Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. Eligible Employee can also apply under Retail Portion. However, Bids by Eligible Employees in the Employee Reservation Portion and in the Non-Institutional Portion shall be treated as multiple Bids, only if Eligible Employee has made an application of more than ₹200,000 in the Employee reservation portion. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion.

(1) Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to all QIBs. Further, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.

Eligible Employees Bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount, at the time of making a Bid. Eligible Employees Bidding in the Employee Reservation Portion at the Cut-Off Price have to ensure payment at the Cap Price, at the time of making a Bid.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 296.

OFFER PROCEDURE

All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges, the Book Running Lead Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer especially in relation to the process for Bids by the UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹ 2,00,000 to ₹ 5,00,000 for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances, which came into force with effect from May 1, 2021, except as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 . The provisions of these circulars are deemed to form part of this Draft Red Herring Prospectus.*

Our Company, the Selling Shareholder and the Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document, and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Net Offer shall be allocated on a proportionate basis to QIBs. Our Company and the Selling Shareholder shall, in consultation with

the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one-third shall be available for allocation to 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. 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, subject to availability of Equity Shares in the respective categories, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to RIBs, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Furthermore, up to [●] Equity Shares, aggregating to ₹[●] million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, if any.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, and the Designated Stock Exchange and subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. Further, in the event of an under-subscription in the Employee Reservation Portion, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion shall be added to the Net Offer.

The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms, which do not have the details of the Bidders' depository account, including DP ID, Client ID, UPI ID (in case of UPI Bidders using the UPI Mechanism) and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.

Phased implementation of unified payments interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of the Phase III, the reduced time duration shall be applicable on the Offer.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Book Running Lead Managers.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

The Offer is being made under Phase II of the UPI, unless Phase III of the UPI becomes effective and applicable on or prior to the Bid/Offer Opening Date. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the relevant Bidding Centres, and at our Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid / Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the Book Running Lead Managers.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The UPI Bidders can additionally Bid through the UPI Mechanism.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, which shall be effective from September 1, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the

ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders Bidding through the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application is available with the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians, including QIBs, Non-institutional Investors and Retail Individual Investors, each resident in India and Eligible NRIs applying on a non-repatriation basis	[●]
Non-Residents including Eligible NRIs, their sub-accounts (other than sub-accounts which are foreign corporates or foreign individuals under the QIB Portion), FPIs or FVCIs registered multilateral and bilateral development financial institutions applying on a repatriation basis	[●]
Anchor Investors**	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Form.*

** *Bid cum Application Forms for Anchor Investors will be made available at the office of the Book Running Lead Managers.*

*Electronic Bid cum Application forms will also be available for download on the website of NSE (www.nseindia.com) and BSE (*www.bseindia.com*).*

The Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank. Further, SCSBs shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Stock Exchanges shall validate the electronic bids with the records of the CDP for DP ID/Client ID and PAN, on a real time basis and bring inconsistencies to the notice of the relevant Designated Intermediaries, for rectification and re-submission within the time specified by Stock Exchanges. Stock Exchanges shall allow modification of either DP ID/Client ID or PAN ID, bank code and location code in the Bid details already uploaded.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI Bidders Bidding through the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the Bankers to the Offer) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the Bankers to the Offer. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no.

SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws 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. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Electronic registration of Bids

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Participation by Promoters, Promoter Group, the Book Running Lead Managers, the Syndicate Members and persons related to Promoters/Promoter Group/the Book Running Lead Managers

The Book Running Lead Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Book Running Lead Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis or in any other manner as introduced under applicable laws, and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Book Running Lead Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except as stated below, neither the Book Running Lead Managers nor any associate of the Book Running Lead Managers can apply in the Offer under the Anchor Investor Portion:

(i) mutual funds sponsored by entities which are associate of the Book Running Lead Managers;

(ii) insurance companies promoted by entities which are associate of the Book Running Lead Managers;

(iii) AIFs sponsored by the entities which are associate of the Book Running Lead Managers; or

(iv) FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associate of the Book Running Lead Managers.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion. However, a qualified institutional buyer who has any of the following rights in relation to the Company shall be deemed to be a person related to the Promoters or Promoter Group of our Company:

(i) rights under a Shareholders agreement or voting agreement entered into with the Promoters or Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Managers " if:

(i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or

(ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or

(iii) there is a common director, excluding nominee director, amongst the Anchor Investors, the Book Running Lead Managers.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which such Bid has been made.

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

Bids by Eligible Non-Resident Indians

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB to block their Non- Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorise their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Eligible NRIs applying on a non-repatriation basis in the Offer through the UPI Mechanism are advised to enquire with their relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall 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 shall 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 warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting. Pursuant to a resolution passed by the Shareholders in a general meeting dated July 8, 2022, the investment limit for NRIs and OCIs has been increased to 24% of the total paid-up Equity Share capital of our Company, on a fully diluted basis.

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 326.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

Bids by HUFs

Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, 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 issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations ("**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the

relevant FPIs, such multiple Bids are liable to be rejected. Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

With effect from the April 1, 2020, the aggregate limit shall be the sectoral caps applicable to the Indian company as prescribed in the FEMA Rules with respect to its paid-up equity capital on a fully diluted basis. While the aggregate limit as provided above could have been decreased by the concerned Indian companies to a lower threshold limit of 24%, 49% or 74% as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively before March 31, 2020, our Company has not decreased such limit and accordingly the applicable limit with respect to our Company is 100%.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21of 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 a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to *inter alia* the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

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

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance finds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reasons thereof.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations, *inter alia*, prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, subject to FEMA Rules, VCFs and FVCIs can invest only up to 33.33% of their investible funds in various prescribed instruments, including in public offerings.

Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Pursuant to the repeal of the SEBI VCF Regulations, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. Our Company, the Selling Shareholder, the Book Running Lead Managers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Participation of VCFs, AIFs or FVCIs in the Offer shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof.

Bids by Banking Companies

In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended, (the "**Banking Regulation Act**"), and the Master Directions - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars bearing numbers CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013 dated September 13, 2012 and January 2, 2013, respectively,

issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The exposure norms for insurers are prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended ("**IRDAI Investment Regulations**"), based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds with minimum corpus of ₹250 million, subject to applicable law, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditor, and (iv) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, reserves the right to reject any Bid without assigning any reason thereof, subject to applicable law. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, the initial allocation to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000. Allotment in the Employee Reservation Portion will be as detailed in the section "*Offer Structure*" on page 302.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of undersubscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent undersubscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer. Eligible Employees Bidding in the Employee Reservation Portion may Bid at the Cut-off Price.

Bids under the Employee Reservation Portion by Eligible Employees shall be:

1. Made only in the prescribed Bid cum Application Form or Revision Form.

2. Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) would be eligible to apply in this Offer under the Employee Reservation Portion.

3. In case of joint bids, the sole/ First Bidder shall be the Eligible Employee.

4. Bids by Eligible Employees may be made at Cut-off Price.

5. Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.

6. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000.

7. If the aggregate demand in this portion is less than or equal to [●] Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

8. Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.

If the aggregate demand in this portion is greater than [●] Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Offer Procedure*" on page 306.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date, and will be completed on the same day.

5) Our Company and the Selling Shareholder, in consultation with the the Book Running Lead Managers will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum Allotment of ₹50 million per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the Book Running Lead Managers before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) The Equity Shares Allotted in the Anchor Investor Portion will be locked in, in accordance with the SEBI ICDR Regulations. 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) Neither the (a) Book Running Lead Managers (s) or any associate of the Book Running Lead Managers (other than mutual funds sponsored by entities which are associate of the Book Running Lead Managers or insurance companies promoted by entities which are associate of the Book Running Lead Managers or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the Book Running Lead Managers or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the Book Running Lead Managers) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category.

11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

The information set out above is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Book Running Lead Managers are not liable for any amendments or modification or changes to applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulations, or as will be specified in the Red Herring Prospectus.

General Instructions

Please note that QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/Offer Period and withdraw or lower the size of their Bid(s) until Bid/Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bid/Offer Period.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

5. Ensure that you (other than the Anchor Investors) have mentioned the correct details of ASBA Account (i.e. bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a UPI Bidder Bidding through the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the relevant Bidding Centre (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

7. UPI Bidders Bidding in the Offer shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party

8. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

9. Ensure that you mandatorily have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;

10. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is also signed by the ASBA Account holder;

11. Ensure that the names given in the Bid cum Application Form is/are exactly the same as the names in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment.

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008 issued by SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of the circular dated July 20, 2006 issued by SEBI, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficial owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

16. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

17. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents including a copy of the power of attorney, if applicable, are submitted;

18. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

19. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

20. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

21. Since the Allotment will be in dematerialised form only, ensure that the depository account is active, the correct DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for UPI Bidders Bidding through UPI mechanism) and PAN available in the Depository database;

22. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in);

23. Ensure that you have correctly signed the authorisation / undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request, including in case of any revision of Bids, raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

24. Ensure that the Demographic Details are updated, true and correct in all respects;

25. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Offer, which is UPI 2.0 certified by NPCI;

26. Bidders (except UPI Bidders Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

27. Bidding through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI pin. Upon the authorization of the mandate using his/her UPI pin, a UPI Bidder Bidding through UPI Mechanism shall be deemed to have verified the attachment containing the application details of the RIB Bidding through UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank issue a request to block the Bid Amount specified in the Bid cum Application Form in his/her ASBA Account;

28. UPI Bidders Bidding through the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

29. UPI Bidders using the UPI Mechanism who have revised their Bids subsequent to making the initial Bid should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner;

30. Bids by Eligible NRIs for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

31. UPI Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019; and

32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid Lot;

2. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;

4. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

5. Do not Bid/ revise the Bid amount to less than the Floor Price or higher than the Cap Price;

6. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

7. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

8. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

9. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

10. Do not submit the Bid for an amount more than funds available in your ASBA account;

11. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

12. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

13. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

14. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;

15. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;

16. In case of ASBA Bidders (other than UPI Bidders using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

17. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

18. Anchor Investors should not bid through the ASBA process;

19. Do not submit the Bid cum Application Form to any non-SCSB bank or our Company;

20. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not submit the GIR number instead of the PAN;

22. Anchor Investors should submit Anchor Investor Application Form only to the Book Running Lead Managers;

23. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

24. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centres. If you are a UPI Bidder and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

27. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

28. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID details if you are a UPI Bidder Bidding through the UPI Mechanism. Further, do not provide details for a beneficiary account which is suspended or for which details cannot be verified to the Registrar to the Offer;

29. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

30. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

31. Do not Bid if you are an OCB;

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected; and

33. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding through the UPI Mechanism.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by UPI Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by UPI Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. ASBA Form by the RIBs by using third party bank accounts or using third party linked bank account UPI IDs;

10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/22/2010 dated July 29, 2010;

11. GIR number furnished instead of PAN;

12. Bids by RIBs with Bid Amount of a value of more than ₹200,000;

13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

14. Bids accompanied by stock invest, money order, postal order or cash; and

15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors, after taking into account the total number of Bids received up to closure of timings for acceptance of Bid-cum-Application Forms as stated herein and as informed to the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance officer. For details of the Company Secretary and Compliance officer, see "*General Information*" on page 61.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Stock Exchanges, along with the Book Running Lead Managers and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through this Offer document.

The allotment of Equity Shares to applicants other than to the RIBs, NIIs and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

Subject to the availability of shares in the respective categories, the allotment of Equity Shares to each of the RIBs and NIIs shall not be less than the minimum bid lot or the minimum application size, as the case maybe, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Anchor Investor Escrow Accounts

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which, the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Anchor Investor Escrow Account should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"
(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed under the SEBI ICDR Regulations, in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of English national daily newspaper, [●], all editions of Hindi national daily newspaper, [●] and [●] editions of the Gujarati daily newspaper [●] (Gujarati being the regional language of Gujarat, where our Registered Office is located) each with wide circulation.

The information set out above is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholder, the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring

Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Signing of the Underwriting Agreement and Filing with the RoC

a) Our Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which would then be termed as the Prospectus. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, the Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 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, for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date or within such other time period prescribed by SEBI will be taken;
- the funds required for making refunds/unblocking (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- if Allotment is not made within the prescribed timelines under applicable laws, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable laws. If there is a delay beyond such prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and other applicable laws for the delayed period;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within time prescribed under applicable laws, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- the Promoter's contribution, if any, shall be brought in advance before the Bid/Offer Opening Date, in accordance with the applicable provisions of the SEBI ICDR Regulations;

- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges shall be informed promptly;

- that if the Offer is withdrawn after the Bid/Offer Closing Date, our Company shall be required to file a fresh offer document with SEBI, in the event a decision is taken to proceed with the Offer subsequently; and

- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the relevant ASBA Accounts on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes, in relation to itself and its portion of the Offered Shares that:

- its portion of the Offered Shares has been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, such period determined in accordance with Regulation 8 of the SEBI ICDR Regulations;

- it is the legal and beneficial owner of the Offered Shares, and that the Offered Shares shall be transferred in the Offer, free from liens, charges and encumbrances;

- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer; and

- it shall not have recourse to the proceeds of the Offer for Sale until final approval for trading of the Equity Shares from the Stock Exchanges has been received;

- that it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement; and

- that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Offered Shares.

The statements and undertakings provided above, in relation to the Selling Shareholder, are statements which are specifically confirmed or undertaken by the Selling Shareholder in relation to itself and the Offered Shares. All other statements or undertakings or both in this Draft Red Herring Prospectus in relation to the Selling Shareholder, shall be statements made by our Company, even if the same relate to the Selling Shareholder.

Utilisation of Offer proceeds

All the monies received out of the Offer shall be credited / transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries or departments of the Government of India and the RBI.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the FDI Policy by way of circular bearing number DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020 ("**FDI Policy**"), which with effect from October 15, 2020, consolidates 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 Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular. Up to 100% foreign investment under the automatic route is currently permitted in "Pharmaceuticals" (Greenfield), subject to conditions specified in the FDI Policy. Up to 74% foreign investment in brownfield projects is permitted under the automatic route, and foreign investment beyond 74% is permissible through the government approval route.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. These investment restrictions shall also apply to subscribers of offshore derivative instruments. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate the Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Bid/Offer Period. Pursuant to a resolution passed by the Shareholders in a general meeting dated July 8, 2022, the investment limit for NRIs and OCIs has been increased to 24% of the total paid-up Equity Share capital of our Company, on a fully diluted basis.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and such transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in the Offer. For further details, see *"Offer Procedure"* on page 306.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable 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 only being offered and sold (i) outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made, and (ii) within the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as "U.S. QIBs") in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs".

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder, the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. The main provisions of the Articles of Association of our Company are detailed below.

The Articles of Association of the Company include two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until receipt of final listing and trading approvals by the Company from the recognized stock exchanges where the equity shares are proposed to be listed pursuant to the initial public offer of equity shares "**Equity Shares**") of the Company (the "**Listing Date**" and the initial public offer, the "**Offer**"). In case of any inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall prevail and be applicable until the Listing Date. All articles of Part B shall automatically terminate and cease to have any force and effect on and from the Listing Date and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

This set of Articles of Association has been approved pursuant to the provisions of Section 14 of the Companies Act, 2013 and by a special resolution passed at the EGM of the Concord Biotech Limited (the "**Company**") held on July 8, 2022.

PART A

PRELIMINARY

TABLE 'F' EXCLUDED

DEFINITIONS AND INTERPRETATION

Article 4 provides that:

4. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

"***Act***" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable;

*"**Affiliate(s)**"* shall mean (a) in case of natural persons, relatives (as defined under the Act) shall be deemed to be Affiliates of such natural persons; and (b) in respect of any specified erson, any other person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified person.

"***Annual General Meeting***" means the annual general meeting of the Company convened and held in accordance with the Act, as amended for time to time;

"***Articles of Association***" **or** "***Articles***" mean these articles of association of the Company, as may be altered from time to time in accordance with the Act, as amended for time to time;

"***Board***" or "***Board of Directors***" means the board of directors of the Company in office at applicable times;

"***Company***" means Concord Biotech Limited, a company incorporated under the laws of India;

*"**Control**"* in relation to a person: (a) holding or controlling, directly or indirectly, a majority of the voting rights exercisable at shareholder meetings (or the equivalent) of that person; or (b) having, directly or indirectly, the right to appoint or remove directors holding a majority of the voting rights exercisable at meetings of the board of directors (or the equivalent) of that person; or (c) having directly or indirectly the ability to direct or procure the direction of the management and policies of that person, whether through the ownership of shares, by contract or otherwise; and the term "**Common Control**" shall be

construed accordingly.

"***Depository***" means a depository, as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996 and a company formed and registered under the Companies Act, 2013 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992;

"***Director***" shall mean any director of the Company, including alternate directors, Independent Directors and nominee directors appointed in accordance with and the provisions of these Articles;

"***Equity Shares***" or "***Shares***" shall mean the issued, subscribed and fully paid-up equity shares of the Company having a face value of such amount as prescribed under the Memorandum of Association;

"***Extraordinary General Meeting***" means an extraordinary general meeting of the Company convened and held in accordance with the Act, as amended for time to time;

"***General Meeting***" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

"***Independent Director***" shall have the same meaning as defined in the Act;

"***Member***" means the duly registered holder from time to time, of the shares of the Company and includes the subscribers to the Memorandum of Association and in case of shares held by a Depository, the beneficial owners whose names are recorded as such with the Depository;

"***Memorandum***" or "***Memorandum of Association***" means the memorandum of association of the Company, as may be altered from time to time;

"***Office***" means the registered office, for the time being, of the Company;

"***Officer***" shall have the meaning assigned thereto by the Act;

"***Ordinary Resolution***" shall have the meaning assigned thereto by the Act, as amended for time to time;

"***Promoter(s)***" shall mean Ankur Vaid and Sudhir Vaid;

"***Promoter Group***" shall have the same meaning defined under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended for time to time.

"***RARE Trusts***" means collectively Aryavir Jhunjhunwala Discretionary Trust, Aryaman Jhunjhunwala Discretionary Trust and Nishtha Jhunjhunwala Discretionary Trust;

"***Register of Members***" means the register of members to be maintained pursuant to the provisions of the Act and the register of beneficial owners pursuant to Section 11 of the Depositories Act, 1996, in case of shares held in a Depository;

"***Shareholding Thresholds***" shall have the same meaning as defined in the Article 104 hereto; and

"***Special Resolution***" shall have the meaning assigned thereto by the Act.

"***Stock Exchanges***" shall mean BSE Limited and the National Stock Exchange of India Limited or such other stock exchange as the Board may deem fit;

SHARE CAPITAL AND VARIATION OF RIGHTS

Article 7 provides that

7. The authorised share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

Article 8 provides that

8. Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Article 9 provides that

9. The Company may issue the following kinds of shares in accordance with these Articles, the Act and other applicable laws:

   (a) Equity share capital:

      (i) with voting rights; and/or

      (ii) with differential rights as to dividend, voting or otherwise in accordance with the Act; and

   (b) Preference share capital.

Article 10 provides that:

10. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Board of Directors who may issue, allot or otherwise dispose of all or any of such shares to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting give to any person the option or right to call for any shares either at par or at a premium during such time and for such consideration as the Board of Directors think fit.

Article 11 provides that:

11. The Board of Directors may issue and allot shares of the Company as payment in full or in part, for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in the acquisition and/or in the conduct of its business; and any shares which may be so allotted may be issued as fully paid up shares and if so issued shall be deemed as fully paid up shares.

Article 12 provides that:

12. Subject to the provisions of the Act, the Company in its General Meetings may, by an Ordinary Resolution, from time to time:

   (a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

   (b) divide, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the shares resulting from such sub-division one or more of such shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;

(d) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; provided that any consolidation and division which results in changes in the voting percentage of Members shall require applicable approvals under the Act; and

(e) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination.

Article 13 provides that:

13. Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Act, and the rules made thereunder:

(i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days (or such lesser number of days as may be prescribed under the Act or the rules made thereunder, or other applicable law) and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(A) to employees under any scheme of employees' stock option subject to Special Resolution passed by the shareholders of the Company and subject to the Rules and such other conditions, as may be prescribed under applicable law; or

(B) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in clause (A) or clause (B) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(1) Nothing in sub-clause (iii) of Clause (1)(A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans containing such an option have been approved before the issue of such debentures or the raising of such loans by a Special Resolution passed by the shareholders of the Company in a General Meeting.

(3) Notwithstanding anything contained in Article 11(3) hereof, where any debentures have been issued, or loan has been obtained from any government by the Company, and if that government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion:

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to National Company Law Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of preferential offer or private placement, subject to and in accordance with the Act and the rules made thereunder.

Article 20 provides that:

20. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to the shares of any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to provisions of the Act and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class, as prescribed by the Act.

Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall mutatis mutandis apply.

ISSUE OF CERTIFICATE

Article 24 provides that:

24. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its shares as the case maybe or within such other period as any other legislation for time being in force may provide or within a period of six (6) months from the date of allotment in the case of any allotment of debenture or within such other period as any other legislation for time being in force may provide. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

TRANSFER AND TRANSMISSION OF SHARES

Article 60 provides that

60. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any shares. The Company shall also use a common form of transfer.

Article 61 provides that:

61. In respect of any transfer of shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

Article 62 provides that:

(a) The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of shares, where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

(b) The Board may decline to recognize any instrument of transfer unless-

(i) the instrument of transfer is in the form prescribed under the Act;

(ii) the instrument of transfer is accompanied by the certificate of shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(iii) the instrument of transfer is in respect of only one class of shares.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

Article 63 provides that:

62. Every such instrument of transfer shall be executed, both by or on behalf of both the transferor and the transferee and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the Register of Members in respect thereof.

Article 64 provides that:

63. Subject to compliance with the Act and other applicable law, the Board shall be empowered, on giving not less than seven (7) days' notice or such period as may be prescribed, to close the transfer books, Register of Members, the register of debenture holders at such time or times, and for such period or periods, not exceeding thirty (30) days at a time and not exceeding an aggregate forty five (45) days in each year as it may seem expedient.

Article 65 provides that:

64. Subject to the provisions of these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may (at its own absolute and uncontrolled discretion) decline or refuse by giving reasons, whether in pursuance of any power of the Company under these Articles or otherwise, to register or acknowledge any transfer of, or the transmission by operation of law of the right to, any

securities or interest of a Member in the Company, after providing sufficient cause, within a period of thirty days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company. Provided that the registration of transfer of any securities shall not be refused on the ground of the transferor being alone or jointly with any other person or persons, indebted to the Company on any account whatsoever except where the Company has a lien on shares. Transfer of shares/debentures in whatever lot shall not be refused.

Article 66 provides that:

65. Where in the case of partly paid shares, an application for registration is made by the transferor alone, the transfer shall not be registered, unless the Company gives the notice of the application to the transferee in accordance with the provisions of the Act and the transferee gives no objection to the transfer within the time period prescribed under the Act.

Article 67 provides that:

66. The executors or administrators or the holders of a succession certificate issued in respect of the shares of a deceased Member and not being one of several joint holders shall be the only person whom the Company shall recognize as having any title to the shares registered in the name of such Members and in case of the death of one or more of the joint holders of any registered share, the survivor or survivors shall be entitled to the title or interest in such shares but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Provided nevertheless that in case the Directors, in their absolute discretion think fit, it shall be lawful for the Directors to dispense with the production of a probate or letters of administration or a succession certificate or such other legal representation upon such terms (if any) (as to indemnify or otherwise) as the Directors may consider necessary or desirable.

Article 68 provides that:

67. No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid shares through a legal guardian.

Article 69 provides that:

68. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

Article 70 provides that:

69. A person becoming entitled to a share by transmission shall, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Article 71 provides that:

70. Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

Article 72 provides that:

71. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable rights, title or interest in the said shares, notwithstanding that the Company may have had notice of such equitable rights referred thereto in any books of the Company and the Company shall not be bound by or required to regard or attend to or give effect to any notice which may be given to it of any equitable rights, title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

Article 73 provides that:

72. The provisions of these Articles, shall, *mutatis mutandis*, apply to the transfer of or the transmission by law of the right to any securities including, debentures of the Company.

ALTERATION OF CAPITAL

Article 74 provides that:

73. The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

Article 76 provides that:

76. Where shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage;

(c) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder"/"Member" shall include "stock" and "stock-holder" respectively.

Article 77 provides that:

77. The Company may, by a Special Resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

78.

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its shares, cancel paid up share capital which is lost or is unrepresented by available assets; or (ii) either with or without extinguishing or reducing liability on any of its shares, pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

Article 79 provides that:

79. Notwithstanding anything contained in these Articles, but subject to all applicable provisions of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

GENERAL MEETINGS

ANNUAL GENERAL MEETINGS

Article 80 provides that:

(a) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year and not more than fifteen months shall elapse between the dates of two annual general meetings.

(b) An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act.

EXTRAORDINARY GENERAL MEETINGS

Article 81 provides that:

81. All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting.

VOTE OF MEMBERS

Article 96 provides that:

96. Subject to any rights or restrictions for the time being attached to any class or classes of shares:

(a) On a show of hands every Member holding Equity Shares and present in person shall have one vote.

(b) On a poll, every Member holding Equity Shares therein shall have voting rights in proportion to his share in the paid up equity share capital.

(c) A Member may exercise his vote at a meeting by electronic means in accordance with the Act and shall vote only once.

Article 97 provides that:

97. In case of joint holders the vote of first named of such joint holders in the Register of Members who tender a vote whether in person or by proxy shall be accepted, to the exclusion of the votes of other joint holders.

DIRECTOR

Article 104 provides that:

104. Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year.

Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution.

The following are the first Directors of the Company

(a) Surendra Pranlal Shah;

(b) Madhikant Pranlal Shah; and

(c) Indravadan Pranlal Shah.

Article 104 provides that:

a) The Board of the Company shall at all times be constituted in compliance with the applicable law including the provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, subject to receipt of approval of the Shareholders post listing, by way of a special resolution, at the first Shareholders' meeting held by the Company post-listing of its Equity Shares pursuant to the Offer each of (i) Promoters, and (ii) RARE Trusts (through its trustees) shall have the right to nominate Directors to the Board of the Company in the proportion set out below ("**Shareholding Thresholds**"):

Promoters' Director nomination right

1. For so long as (a) the Promoters (along with the Promoter Group) hold at least 25% of the share capital of the Company on a Fully Diluted Basis, and (b) one or more of the existing Promoters of the Company continue to be the promoters of the Company, the Promoters shall have the right to nominate 3 (three) Directors; or

2. For so long as the Promoters (along with the Promoter Group) hold at least 15% of the share capital of the Company on a Fully Diluted Basis, the Promoters shall have the right to nominate 2 (two) Directors; or

3. For so long as Sudhir Vaid and Ankur Vaid, individually or together, (along with their Affiliates) hold at least 5% of the share capital of the Company on a Fully Diluted Basis, they shall have the right to nominate 1 (One) Director.

It is clarified that the right to nominate Directors under (ii) and (iii) above shall be available to Sudhir Vaid and/or Ankur Vaid, whether or not they continue to be the Promoters of the Company.

It is further clarified that for the purposes of nomination of directors by Sudhir Vaid and Ankur Vaid under (i), (ii) and (iii) above, their directorships on the Board of the Company shall also be considered.

RARE Trusts' Director nomination right

For so long as RARE Trusts, collectively hold at least 5% of the share capital of the Company on a Fully Diluted Basis, RARE Trusts (through its trustees) shall have the right to nominate 1 Director.

b) It is clarified that in relation to the rights of the Promoters and the RARE Trusts under (a) above, once the respective shareholding of the nominating Shareholder falls below the relevant Shareholding Thresholds, the nomination of such number of directors shall be withdrawn by the nominating Shareholder, as the case maybe, to meet the requirement of the prevailing Shareholding Thresholds. For the avoidance of doubt, it is clarified that the Promoters and the RARE Trusts shall cease to have the right to nominate their respective nominee directors, once their respective shareholding falls below the respective Shareholding Thresholds. notwithstanding that their shareholding subsequently increases to or beyond the Shareholding Thresholds.

c) It is clarified that, (i) for the purposes of calculation of Shareholding Thresholds, the vested employee stock options, if any, and any outstanding compulsorily convertible security, if any, shall be counted as exercised by the respective employee and any outstanding compulsorily convertible security shall be considered converted respectively and (ii) Independent Directors on the Board shall be appointed by the Board and the shareholders of the Company in accordance with the applicable law, and shall not be nominated by the Promoters or by RARE Trusts (through its trustees).

d) In the event of any amendment to applicable law, notification, circular, guidelines, rules or regulations requires an increase or decrease in the number of Directors of a company, or the number of Independent Directors in any company, the increase or decrease shall be given effect to in such a manner that permits, so far as possible under applicable law or the laws, regulations or policies of any other applicable jurisdiction, the rights available to the Promoters and RARE Trusts (through its trustees) to continue mutatis mutandis.

e) The Board shall be entitled, at the request of nominating Shareholders (proposed by nominating Shareholder for the absent nominee Director), to appoint to the Board an alternate Director (an "**Alternate Director**") in place of any Director as nominated by it from time to time. Upon the appointment of an Alternate Director, the Company shall ensure compliance with the provisions of this Agreement, the Act or the relevant applicable law, including by filing necessary forms with the Registrar of Companies, Gujarat at Ahmedabad or the applicable relevant authority. The Alternate Directors shall be entitled to receive notice of all Board meetings and Board committee meetings to attend and vote at such meetings in place of the Directors and generally to perform all functions of the Directors in their absence.

f) Any nominating Shareholders shall be entitled to withdraw the nomination of a Director or request for a change of their respective nominated director. Subject to applicable law, any vacancy occurring on the Board by reason of the death, disqualification, inability to act, resignation or removal of any Director will be filled within 30 (thirty) days by a nominee(s) of the same nominating Shareholders that nominated the vacating Director, so as to maintain a Board consisting of the number of nominees specified in (a) above. It is clarified that while the Shareholders will have the nomination rights, the appointment of the Directors shall be done by the Board, in accordance with Applicable Law. Subject to Applicable Law, if the nominating Shareholders entitled to do so fails to nominate Director(s) to fill the vacancy within 60 (sixty) days after the vacancy arises, the remaining Directors will appoint a Director to fill the vacancy.

Article 108 provides that

108. Subject to provisions of the Act and Article 105 above:

(a) The Board may, appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence

for a period of not less than 3 (three) months from India (hereinafter in this Article called the "**Original Director**")

(b) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

Article 109 provides that:

109. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. The director so appointed shall hold office only up to the date which the director in whose place he is appointed would have held office if it had not been vacated.

Article 110 provides that:

(a) A Director (other than a managing Director or whole-time Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or any committee thereof attended by him. The remuneration of Directors including managing Director and/or whole-time Director may be paid in accordance with the applicable provisions of the Act.

(b) The Board of Directors may allow and pay or reimburse any Director who is not a bona fide resident of the place where a meeting of the Board or of any committee is held and who shall come to such place for the purpose of attending such meeting or for attending its business at the request of the Company, such sum as the Board may consider fair compensation for travelling, and out-of-pocket expenses and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be reimbursed any travelling or other expenses incurred in connection with the business of the Company.

(c) The managing Directors/ whole-time Directors shall be entitled to charge and be paid for all actual expenses, if any, which they may incur for or in connection with the business of the Company. They shall be entitled to appoint part time employees in connection with the management of the affairs of the Company and shall be entitled to be paid by the Company any remuneration that they may pay to such part time employees.

DIVIDEND

141. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

142. Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

WINDING UP

Article 164 provides that:

164. Subject to the applicable provisions of the Act–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

PART B

Part B of the Articles of Association provides for, amongst other things, the rights and obligations of certain Shareholders pursuant to the Investment Agreement. For more details on the Investment Agreement, see *"History and Certain Corporate Matters – Shareholders' agreements and other agreements"* on page 162. All articles of Part B shall automatically terminate and cease to have any force and effect on and from the Listing Date and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date. The copies of the contracts and also the documents for inspection referred to hereunder will be uploaded on the website of our Company at www.concordbiotech.com/investors, and will be available for inspection from date of the Red Herring Prospectus until the Bid/ Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

A. Material Contracts for the Offer

(1) Offer Agreement dated August 12, 2022 amongst our Company, the Selling Shareholder and the BRLMs.

(2) Registrar Agreement dated August 12, 2022 amongst our Company, the Selling Shareholder, and the Registrar to the Offer.

(3) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

(4) Share Escrow Agreement dated [●] amongst the Selling Shareholder, our Company and the Share Escrow Agent.

(5) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholder, the BRLMs, and Syndicate Members.

(6) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholder, and the Underwriters.

B. Material Documents

(1) Certified copies of updated MoA and AoA, amended from time to time.

(2) Certificates of incorporation of the Company dated November 7, 2001, February 16, 2001, September 24, 1985 and November 23, 1984, issued to our Company, issued by the RoC.

(3) Resolution of the Board of Directors dated May 24, 2022 authorising the Offer and other related matters.

(4) Resolution of the Board of Directors dated August 9, 2022 approving the DRHP.

(5) Resolution of the IPO Committee of the Board of Directors dated August 12, 2022 approving the DRHP.

(6) Consent letter dated August 8, 2022 from the Selling Shareholder.

(7) Investment Agreement dated May 16, 2016 entered into among Parties to the Investment Agreement.

(8) Amendment and Termination Agreement dated August 12, 2022 to the Investment Agreement.

(9) Consent dated August 12, 2022 from our Statutory Auditor, namely, Deloitte Haskins & Sells. to include their names as required under section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this DRHP, and as an "expert" as defined under section 2(38) of

the Companies Act, 2013 in in respect of their (a) examination report dated August 9, 2022 on the Restated Consolidated Financial Information, and (b) report dated August 12, 2022 on the statement of special tax benefits; and such consents has not been withdrawn as on the date of this DRHP.

(10) The examination report dated August 9, 2022 of our Statutory Auditor on the Restated Financial Information, included in this Draft Red Herring Prospectus.

(11) The statement of possible special tax benefits dated August 12, 2022 from our Statutory Auditors.

(12) Consents of our Directors, our Company Secretary and Compliance Officer, Legal Advisors to the Offer, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, and the Registrar to the Offer.

(13) Consent Letter dated August 11, 2022 from O.R. Maloo &Co., Chartered Accountants from ICAI, to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus and as an 'expert' as defined under Section 2(38) of Companies Act, 2013 in respect of the certificates issued by them in their capacity as an independent chartered accountant to our Company.

(14) Consent letter dated July 10, 2022, from Jagdishchandra Mistry to include their name in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as a chartered engineer, in relation to his certificate dated August 10, 2022 certifying manufacturing capacity and capacity utilization of the manufacturing facilities owned and controlled by the Company along with the existing installed manufacturing capacity for each product and capacity utilization for each such products in the manufacturing facilities in the last three years and such consent has not been withdrawn as on the date of this DRHP.

(15) Consent letter dated August 11, 2022 from Edipilis Counsels as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this DRHP and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in relation to the intellectual property rights of our Company and in respect of their certificate dated August 12, 2022 on the (i) patent and trademark filings and registrations; (ii) product filings and registrations; and (iii) manufacturing facilities and research and development facilities of the Company in India and certain other jurisdictions, and such consent has not been withdrawn as on the date of this DRHP.

(16) Consent letter dated August 11, 2022 from F&S with respect to F&S Report.

(17) Industry Report titled "Independent Market Research on the Overview of the Global Fermentation API and Formulations Industry" dated August 11, 2022 prepared and issued by F&S and commissioned and paid for by the Company, exclusively for the purpose of this Offer.

(18) Copies of annual reports of our Company for the preceding three Fiscals.

(19) Due Diligence Certificate dated August 12, 2022 addressed to SEBI from the BRLMs.

(20) In-principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

(21) Tripartite agreement dated January 24, 2006 amongst our Company, NSDL and the Registrar to the Offer.

(22) Tripartite agreement dated June 29, 2022 amongst our Company, CDSL and the Registrar to the Offer.

(23) SEBI final observation letter dated [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus 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 notice to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Sudhir Vaid
Chairman and Managing Director

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Ankur Vaid
Joint Managing Director and Chief Executive Officer

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Ravi Kapoor
Non-Executive Director

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajiv Ambrish Agarwal
Non-Executive Nominee Director

Date: August 12, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Utpal Sheth
Non-Executive Nominee Director

Date: August 12, 2022

Place: Mumbai

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Amit Varma
Non-Executive Nominee Director

Date: August 12, 2022

Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Bharti Khanna
Independent Director

Date: August 12, 2022

Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Anil Katyal
Independent Director

Date: August 12, 2022

Place: New Delhi

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Amitabh Thakore
Independent Director

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Arvind Agarwal
Independent Director

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Jayaram Easwaran
Independent Director

Date: August 12, 2022

Place: Gurugram

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Mandayam Chakravarthy Sriraman
Independent Director

Date: August 12, 2022

Place: Vadodara

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the guidelines or regulations issued by the Government of India or the guidelines or regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____

Lalit Sethi
Chief Financial Officer

Date: August 12, 2022

Place: Ahmedabad

DECLARATION

We, Helix Investment Holdings Pte. Limited, hereby confirm and certify that all statements and undertakings specifically made or confirmed in this Draft Red Herring Prospectus in relation to ourselves, as a Selling Shareholder and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings including statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

FOR AND ON BEHALF OF HELIX INVESTMENT HOLDINGS PTE. LIMITED

Authorised Signatory

Name: Mow Ying Oi

Designation: Director

Place: Singapore

Date: August 12, 2022