(Please scan this QR code to view the DRHP)

DRAFT RED HERRING PROSPECTUS
Dated: July 29, 2024
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

Sai Make it better together

SAI LIFE SCIENCES LIMITED

Corporate Identity Number: U24110TG1999PLC030970

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. DS- 7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal – Malkajgiri District, Hyderabad 500 078, Telangana, India	L4- 01 & 02, SLN Terminus Survey, Survey no. 133, Gachibowli Miyapur Road, Gachibowli, Hyderabad 500 032, Telangana, India	Runa Karan *Company Secretary, Compliance Officer and Legal Head*	**Email:** investors@sailife.com **Tel:** +91 40 6815 6000	www.sailife.com

OUR PROMOTERS: KANUMURI RANGA RAJU, KRISHNAM RAJU KANUMURI, KANUMURI MYTREYI, SAI QUEST SYN PRIVATE LIMITED, MARIGOLD PARTNERS, SUNFLOWER PARTNERS, TULIP PARTNERS AND LILY PARTNERS

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE SIZE	SIZE OF THE OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND RESERVATIONS
Fresh Issue and Offer for Sale	Up to [●] equity shares of face value of ₹1 each (“**Equity Shares**”) aggregating up to ₹8,000.00 million	Up to 61,573,120 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	The Offer is being made pursuant to 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 further details, see “*Other Regulatory and Statutory Disclosures – Eligibility for the Offer*” on page 320. For details in relation to share reservation among Eligible Employees, Qualified Institutional Buyers, Non-Institutional Bidders and Retail Individual Bidders, see “*Offer Structure*” beginning on page 340.

DETAILS OF THE OFFER FOR SALE FOR THE TOP 10 SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED/ AMOUNT (₹ IN MILLION)	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE (IN ₹)*#
Sai Quest Syn Private Limited	Promoter Selling Shareholder	Up to 6,454,780 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	10.37
TPG Asia VII SF Pte Ltd	Investor Selling Shareholder	Up to 45,721,080 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	127.27
HBM Private Equity India	Investor Selling Shareholder	Up to 6,862,260 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	42.53
Bharathi Srivari	Other Selling Shareholder	Up to 650,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1.00
Anita Rudraraju Nandyala	Other Selling Shareholder	Up to 500,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	0.52
Raju Penmasta	Other Selling Shareholder	Up to 500,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1.00
Dr. Dirk Walter Sartor	Other Selling Shareholder	Up to 250,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	10.40
Jagdish Viswanath Dore	Other Selling Shareholder	Up to 250,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	127.30
Rajagopal Srirama Tatta	Other Selling Shareholder	Up to 250,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	6.78
K Pandu Ranga Raju	Other Selling Shareholder	Up to 80,000 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million	1.74

For a complete list of all Selling Shareholders and their weighted average cost of acquisition per Equity Share on a fully diluted basis, see “Offer Document Summary – Weighted average cost of acquisition of the Promoters and Selling Shareholders” on page 21.
**As certified by Bashetty & Joshi, Chartered Accountants, by their certificate dated July 29, 2024.*
#Calculated on a fully diluted basis.

For further details, see “*The Offer*” beginning on page 53.

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 the Equity Shares is ₹1. The Floor Price, Cap Price and Offer Price, determined by our Company, in consultation with the Book Running Lead Managers, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" beginning on page 113 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 and/or sustained trading in the Equity Shares nor 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 24.

COMPANY'S AND SELLING SHAREHOLDERS' 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and only confirms the statements specifically made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to and to the extent that such information and information pertains to such Selling Shareholder 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. Further, the Selling Shareholders do not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares that will be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges being BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

Book Running Lead Managers	Contact person	Email and Telephone
Kotak Mahindra Capital Company Limited	Ganesh Rane	**E-mail:** sailife.ipo@kotak.com **Tel:** +91 22 4336 0000
IIFL Securities Limited	Yogesh Malpani / Pawan Kumar Jain	**E-mail:** sailife.ipo@iiflcap.com **Tel:** + 91 22 4646 4728
Jefferies India Private Limited	Suhani Bhareja	**E-mail:** SaiLife.IPO@jefferies.com **Tel:** +91 22 4356 6000
Morgan Stanley India Company Private Limited	Sumit Kumar Agarwal	**E-mail:** sailifeipo@morganstanley.com **Tel:** +91 22 6118 1000

REGISTRAR TO THE OFFER

Name of the Registrar	Contact person	E-mail and Telephone
KFin Technologies Limited	M. Murali Krishna	**E-mail**: sailifesciences.ipo@kfintech.com **Tel**: +91 40 6716 2222

BID/OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	**[●]**[(1)]	**BID/ OFFER OPENS ON**	**[●]**	**BID/ OFFER CLOSES ON**	**[●]**[(2)(3)]

(1) *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.*

(2) *Our Company may, in consultation with the BRLMs, 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) *The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.*

DRAFT RED HERRING PROSPECTUS
Dated: July 29, 2024
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

Sai Make it better together

SAI LIFE SCIENCES LIMITED

Our Company was originally incorporated as '*Sai Dru Syn Laboratories Limited*' at Hyderabad, Telangana (erstwhile Andhra Pradesh) as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 25, 1999, issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company received the certificate of commencement of business from Registrar of Companies, Andhra Pradesh at Hyderabad on February 17, 1999. Subsequently, the name of our Company was changed from '*Sai Dru Syn Laboratories Limited*' to '*Sai Life Sciences Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on December 11, 2003 and a fresh certificate of incorporation dated December 16, 2003 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Thereafter, the name of the Company was changed from '*Sai Life Sciences Limited*' to '*Sai Advantium Pharma Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on August 16, 2006 and a fresh certificate of incorporation dated August 30, 2006 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, the name of our Company was changed from '*Sai Advantium Pharma Limited*' to its present name, '*Sai Life Sciences Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on April 20, 2012 and a fresh certificate of incorporation dated May 28, 2012 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. For further details, see "*History and Certain Corporate Matters – Brief History of our Company*" on page 183.

Registered Office: Plot No. DS- 7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal – Malkajgiri District, Hyderabad 500 078, Telangana, India
Corporate Office: L4- 01 & 02, SLN Terminus Survey, Survey no. 133, Gachibowli Miyapur Road, Gachibowli, Hyderabad 500 032, Telangana, India
Tel: +91 40 6815 6000; **Website**: www.sailife.com; **Contact person**: Runa Karan, Company Secretary, Compliance Officer and Legal Head
E-mail: investors@sailife.com; **Corporate Identity Number**: U24110TG1999PLC030970

OUR PROMOTERS: KANUMURI RANGA RAJU, KRISHNAM RAJU KANUMURI, KANUMURI MYTREYI, SAI QUEST SYN PRIVATE LIMITED, MARIGOLD PARTNERS, SUNFLOWER PARTNERS, TULIP PARTNERS AND LILY PARTNERS

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF SAI LIFE SCIENCES LIMITED (OUR "COMPANY" OR THE "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") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹8,000.00 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 61,573,120 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE"), CONSISTING OF UP TO 6,454,780 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY SAI QUEST SYN PRIVATE LIMITED ("PROMOTER SELLING SHAREHOLDER"), UP TO 45,721,080 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY TPG ASIA VII SF PTE LTD ("TPG"), UP TO 6,862,260 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY HBM PRIVATE EQUITY INDIA (COLLECTIVELY WITH TPG, "INVESTOR SELLING SHAREHOLDERS") AND UP TO 2,535,000 EQUITY SHARES OF FACE VALUE OF ₹1 EACH AGGREGATING UP TO ₹[●] MILLION BY CERTAIN PERSONS LISTED IN THIS DRAFT RED HERRING PROSPECTUS (THE "OTHER SELLING SHAREHOLDERS", AS DEFINED BELOW) (THE PROMOTER SELLING SHAREHOLDER, INVESTOR SELLING SHAREHOLDERS AND OTHER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES").

THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH, 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 THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●] % AND [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.

THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND THE [●] EDITION OF [●], A TELUGU DAILY NEWSPAPER (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, 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 ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SEBI ICDR REGULATIONS.

In case of any revision in the Price Band, the Bid/ Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or unforeseen circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Self-Certified Syndicate Banks ("**SCSBs**"), other Designated Intermediaries and the Sponsor Bank(s), as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(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 ("**QIBs**" and such portion, the "**QIB Portion**"), provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the remaining QIB Portion ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion (excluding the Anchor Investor 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. 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 QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders of which (a) one third shall be reserved for applicants with application size of more than ₹ 200,000 and up to ₹ 1,000,000; and (b) two third shall be reserved for applicants with application size of more than ₹ 1,000,000, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders, and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, Equity Shares will be allocated on a proportionate basis to Eligible Employees applying under the Employee Reservation Portion, subject to valid Bids received from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilise the Application Supported by Blocked Amount ("**ASBA**") process providing details of their respective ASBA accounts, and UPI ID in case of UPI Bidders, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or Sponsor Bank(s) under the UPI Mechanism, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" beginning on page 344.

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 the Equity Shares is ₹1 each. The Floor Price, Cap Price and Offer Price, determined by our Company, in consultation with the BRLMs and on the basis of assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" beginning on page 113, in accordance with the SEBI ICDR Regulations, 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 active and/or sustained trading in the Equity Shares nor 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 investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by SEBI, nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 24.

COMPANY AND SELLING SHAREHOLDERS' 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. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and only confirms the statements specifically made by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to such Selling Shareholder 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. Further, the Selling Shareholders do not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

LISTING

The Equity Shares to be Allotted 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 their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS TO THE OFFER				REGISTRAR TO THE OFFER
kotak Investment Banking	IIFL SECURITIES	Jefferies	Morgan Stanley	KFINTECH
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:** sailife.ipo@kotak.com **Website:** https://investmentbank.kotak.com **Investor Grievance ID:** kmccredressal@kotak.com **Contact Person:** Ganesh Rane **SEBI Registration Number:** INM000008704	**IIFL Securities Limited** 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West) Mumbai 400 013 Maharashtra, India **Tel:** + 91 22 4646 4728 **E-mail:** sailife.ipo@iiflcap.com **Investor Grievance E-mail:** ig.ib@iiflcap.com **Website:** www.iiflcap.com **Contact Person:** Yogesh Malpani / Pawan Kumar Jain **SEBI Registration Number:** INM000010940	**Jefferies India Private Limited** Level 16, Express Towers, Nariman Point, Mumbai 400 021 Maharashtra, India **Tel:** +91 22 4356 6000 **E-mail:** SaiLife.IPO@jefferies.com **Website:** www.jefferies.com **Investor Grievance ID**: jipl.grievance@jefferies.com **Contact Person**: Suhani Bhareja **SEBI Registration No**: INM000011443	**Morgan Stanley India Company Private Limited** 18th Floor, Tower 2, One World Center Plot 841, Jupiter Textile Mill Compound Senapati Bapat Marg, Lower Parel Mumbai – 400 013 Maharashtra, India **Tel:** +91 22 6118 1000 **E-mail:** sailifeipo@morganstanley.com **Investor Grievance ID:** investors_india@morganstanley.com **Website:** www.morganstanley.com/india **Contact Person:** Sumit Kumar Agarwal **SEBI Registration No:** INM000011203	**KFin Technologies Limited** Selenium, Tower B, Plot No- 31 and 32 Financial District, Nanakramguda, Serilingampally Hyderabad 500 032 Telangana, India **Tel:** +91 40 6716 2222 **E-mail:** sailifesciences.ipo@kfintech.com **Investor Grievance ID:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration Number:** INR000000221

BID/ OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE	[●][(1)]
BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	[●][(2)(3)]

(1) Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.
(2) Our Company may, in consultation with the BRLMs, 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) The UPI mandate end time and date shall be at 5.00 p.m. on the Bid/Offer Closing Date.

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 meanings as provided below. References to any legislation, act, regulation, rules, guidelines, clarifications or policies or articles of association or memorandum of association shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies or articles of association or memorandum of association as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meanings ascribed to such terms under the SEBI ICDR Regulations, the SEBI Listing Regulations, the SEBI Act, the Companies Act, the SCRA, the Depositories Act and the rules and regulations notified thereunder.

Notwithstanding the foregoing, the terms used in "Objects of the Offer", "Basis for Offer Price", "Statement of Special Tax Benefits", "Industry Overview", "Key Regulations and Policies", "History and Certain Corporate Matters", "Restated Consolidated Financial Information", "Financial Indebtedness", "Outstanding Litigation and Material Developments", "Other Regulatory and Statutory Disclosures", "Offer Procedure" and "Main Provisions of the Articles of Association" beginning on pages 105, 113, 122, 127, 177, 183, 215, 305, 307, 319, 344 and 365, respectively, shall have the meanings ascribed to them in the relevant section.

General Terms

Term	Description
"our Company" or "the Company"	Sai Life Sciences Limited, a public limited company incorporated under the Companies Act, 1956, having its Registered Office at Plot No. DS - 7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal – Malkajgiri Dist, Hyderabad 500 078, Telangana, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries, together

Company Related Terms

Term	Description
"2023 Agreement"	Agreement dated November 27, 2023 on conversion terms of OCPS and CCPS entered by and among our Company, Krishnam Raju Kanumuri, TPG, Marigold Partners, Sunflower Partners, Tulip Partners and Lily Partners
"Articles of Association" or "AoA" or "Articles"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board, as described in "*Our Management – Committees of our Board – Audit Committee*" on page 195
"Auditors" or "Statutory Auditors"	Deloitte Haskins & Sells LLP, Chartered Accountants
"Board" or "Board of Directors"	The board of directors of our Company, as described in "*Our Management – Our Board*" beginning on page 190
"Chief Executive Officer" or "CEO"	Chief Executive Officer of our Company, being Krishnam Raju Kanumuri
"Chief Financial Officer"	Chief Financial Officer of our Company, being Sivaramakrishnan Chittor
"Company Secretary, Compliance Officer and Legal Head"	Company Secretary, compliance officer and legal head of our Company, being Runa Karan
"Corporate Office"	The corporate office of our Company is located at L4- #01 & 02, SLN Terminus Survey, Survey no. 133, Gachibowli Miyapur Road, Gachibowli, Hyderabad 500 032, Telangana, India
"Corporate Promoter" or "Promoter Selling Shareholder"	Sai Quest Syn Private Limited
"Corporate Social Responsibility Committee" or "CSR Committee"	The corporate social responsibility committee of our Board, as described in *"Our Management – Committees of our Board – Corporate Social Responsibility Committee"* on page 198
"CCPS"	Compulsorily convertible preference shares of face value ₹ 10 each
"Director(s)"	The directors on our Board, as appointed from time to time. For further details see "*Our Management – Our Board*" on page 190
"Equity Shares"	Equity shares of our Company of face value ₹1 each
"ESOP 2008"	Employee Stock Option Plan 2008, as amended
"ESOP Schemes"	Collectively, ESOP 2008 and Management ESOP 2018
"Executive Director(s)"	The executive Directors on our Board, as disclosed in "*Our Management*" beginning on page 190
"HBM"	HBM Private Equity India
"Independent Chartered Accountant"	Bashetty & Joshi, Chartered Accountants
"Independent Directors"	Independent Directors on our Board, as disclosed in "*Our Management*" beginning on page 190
"Individual Promoters"	Collectively, Kanumuri Ranga Raju, Krishnam Raju Kanumuri and Kanumuri Mytreyi
"Investor Selling Shareholders"	Collectively, TPG Asia VII SF Pte Ltd and HBM Private Equity India
"IPO Committee"	The IPO committee of our Board

Term	Description
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act and as disclosed in "*Our Management – Key Managerial Personnel of our Company*" on page 201
"Management ESOP 2018"	Management Employee Stock Option Plan 2018
"Materiality Policy"	The policy adopted by the Board in its meeting held on July 10, 2024 in relation to the Offer for (i) identification of group companies, (ii) determination of material outstanding litigation proceedings involving our Company, Directors, Subsidiaries and Promoters, and (iii) identification of material creditors of our Company pursuant to the SEBI ICDR Regulations
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board, as described in "*Our Management – Committees of our Board – Nomination and Remuneration Committee*" on page 197
"Non-Executive Director"	Non-executive director (other than the Independent Directors) on our Board, as disclosed in "*Our Management – Board of Directors*" beginning on page 190
"OCPS"	Optionally convertible preference shares of face value of ₹10 each
"Other Promoters"	Collectively, Sunflower Partners, Lily Partners, Marigold Partners and Tulip Partners.
"Other Selling Shareholders"	Collectively, Bharathi Srivari, Anita Rudraraju Nandyala, Raju Penmasta, Dr. Dirk Walter Sartor, Jagdish Viswanath Dore, Rajagopal Srirama Tatta, K Pandu Ranga Raju, Alluri Srinivasa Raju, Bhupathi Raju Atchuta Ramakrishna Raju, Srinivasa Rao Karra and Venkata Narasimha Sastry Renduchintala
"Preference Shares Amendment Agreement"	Amendment agreement dated July 10, 2024 to the 2023 Agreement entered by and among our Company, Krishnam Raju Kanumuri, TPG, Marigold Partners, Sunflower Partners, Tulip Partners and Lily Partners
"Promoters"	Collectively, the Corporate Promoter, the Individual Promoters and the Other Promoters of our Company. For details, please see "*Our Promoters and Promoter Group*" beginning on page 204
"Promoter Group"	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 Promoters and Promoter Group*" beginning on page 204
"Registered Office"	The Registered Office of our Company is located at Plot No. DS- 7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal – Malkajgiri District, Hyderabad 500 078, Telangana, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Telangana at Hyderabad
"Restated Consolidated Financial Information"	Restated consolidated financial information of our Company and our Subsidiaries as at for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprises of the restated consolidated statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated statements of cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the summary statement of material accounting policies and other explanatory information prepared in accordance with the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended
"Scheme of Amalgamation 2004"	Scheme of amalgamation under Section 391 and 394 of the Companies Act, 1956 between Prasad Drugs Limited and our Company pursuant to which Prasad Drugs Limited was merged into our Company
"Scheme of Arrangement"	Scheme of arrangement under Section 230 to 232 of the Companies Act, 2013 amongst our Company, Sai Quest Syn Private Limited and their respective shareholders and creditors
"Scheme of Arrangement 2006"	Scheme of amalgamation under Section 391 and 394 of the Companies Act, 1956 between Merrifield Pharma Private Limited and our Company pursuant to which Merrifield Pharma Private Limited was merged into our Company
"Selling Shareholders"	Collectively, the Promoter Selling Shareholder, Investor Selling Shareholders and Other Selling Shareholders
"Senior Management Personnel" or "SMP"	Senior management personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations and as disclosed in "*Our Management – Senior Management Personnel of our Company*" on page 201
"Shareholders' Amendment Agreement"	Amendment agreement dated July 4, 2024 to the Shareholders' Agreement, entered into by and among our Company, TPG, Krishnam Raju Kanumuri, Kanumuri Ranga Raju, Gokaraju Lakshmi Tanuja, Continental Wines Private Limited, Kanumuri Sudha, Kanumuri Mytreyi, Sai Quest Syn Private Limited, Gokaraju Subba Raju, Bharathi Srivari, Raju Penmasta, Aruna Penmasta, Ravindra Varma Nandyala, Anita Rudraraju Nandyala, N. Anjelica, N. Anisha, K. V. Satyanarayana Raju, K. Anuradha, G Ramakrishnam Raju, Kanuri Family Trust, HBM, Marigold Partners, Tulip Partners, Sunflower Partners, and Lily Partners
"Shareholders' Agreement"	Shareholders' Agreement dated March 27, 2019 entered into by and among our Company, TPG, Krishnam Raju Kanumuri, Kanumuri Ranga Raju, Gokaraju Lakshmi Tanuja, Continental Wines Private Limited, Kanumuri Sudha, Kanumuri Mytreyi, Sai Quest Syn Private Limited, Gokaraju Subba Raju, Bharathi Srivari, Raju Penmasta, Aruna Penmasta, Ravindra Varma Nandyala, Anita Rudraraju Nandyala, N. Anjelica, N. Anisha, K. V. Satyanarayana Raju, K. Anuradha, G Ramakrishnam Raju, Kanuri Family Trust and HBM and parties deemed to be parties to the shareholders' agreement pursuant to the respective deed of adherence, namely Marigold Partners, Tulip Partners, Sunflower Partners, and Lily Partners, as amended by Shareholders' Amendment Agreement
"Shareholder(s)"	The equity shareholder(s) of our Company from time to time

Term	Description
"Stakeholders Relationship Committee"	The stakeholders' relationship committee of our Board, as described in "*Our Management – Committees of our Board – Stakeholders Relationship Committee*" on page 198
"Subsidiary" or "our Subsidiary" or "Subsidiaries"	The subsidiaries of our Company as on the date of this Draft Red Herring Prospectus, namely, Sai Life Sciences Inc, Sai Life Sciences, GmbH and Sai Life Pharma Private Limited, as disclosed in "*History and Certain Corporate Matters – Our Subsidiaries, joint ventures and associates*" on page 187
"TPG"	TPG Asia VII SF Pte Ltd

Offer Related Terms

Term	Description
"Abridged Prospectus"	The memorandum containing such salient features of a prospectus as may be specified by SEBI in this regard
"Acknowledgement Slip"	The slip or document to be issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
"Allot" or "Allotment" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of Offered Shares pursuant to the Offer for Sale, in each case to successful Bidders
"Allotment Advice"	The note or advice or intimation of Allotment sent to each of 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 during the Anchor Investor Bidding Date 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 and which will be determined by our Company, in consultation with the BRLMs, in compliance with the SEBI ICDR Regulations
"Anchor Investor Application Form"	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations 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 issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be determined by our Company, in consultation with the BRLMs, in compliance with the SEBI ICDR Regulations
"Anchor Investor Pay-in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, 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 in consultation with the BRLMs, 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, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"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 applications made by UPI Bidders where the Bid Amount will be blocked by the SCSB upon acceptance of UPI Mandate Request by the UPI Bidders
"ASBA Account"	A bank account maintained with an SCSB by an ASBA Bidder, as specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a UPI Bidder in which the Bid Amount is blocked upon acceptance of a UPI Mandate Request made by the UPI Bidders
"ASBA Bid"	A Bid made by an ASBA Bidder
"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(s), the Public Offer Account Bank(s), the Sponsor Bank(s) and the Refund Bank(s), as the case may be
"Basis of Allotment"	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" beginning on page 344
"Bid"	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 Bidding Date by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to 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

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 RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid. 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 by such Eligible Employee and mentioned in the Bid cum Application Form. 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
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares of face value of ₹1 each and in multiples of [●] Equity Shares of face value of ₹1 each thereafter
"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 published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, 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. In case of any revision, the revised 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 BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank(s), which shall also be notified in an advertisement in the same newspapers in which the Bid/ Offer Opening Date was published, as required under 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, which shall be published in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation
"Bid/ Offer Period"	Except in relation to Bids received from the Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company may, in consultation with the BRLMs, consider closing the Bid / Offer Period for the QIBs one Working Day prior to the Bid / Offer Closing Date in accordance with the SEBI ICDR Regulations
"Bidder"	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, includes an Anchor Investor
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., 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"	The 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, IIFL, Jefferies, and Morgan Stanley
"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 contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Cap Price"	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the 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(s) Agreement"	The agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Banker(s) to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
"Client ID"	Client identification number maintained with one of the Depositories in relation to dematerialised account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act and registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on

Term	Description
	the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time and the UPI Circulars
"Confirmation of Allocation Note" or "CAN'	The notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bidding Date
"Cut-off Price"	The Offer Price, finalised by our Company, in consultation with the BRLMs, which shall be any price within the Price Band. Only RIBs Bidding in the Retail Portion and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and NIBs are not entitled to Bid at the Cut-off Price
"Demographic Details"	The details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
"Designated Branches"	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at 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 ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with the names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
"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/or the instructions are issued to the SCSBs (in case of UPI Bidders, instruction issued through the Sponsor Bank(s)) for the transfer of the relevant amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account and or the Refund Account and / or are unblocked, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares will be Allotted to successful Bidders in the Offer
"Designated Intermediary(ies)"	Collectively, the Syndicate Members, 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, Eligible Employee Bidding in the Employee Reservation Portion by authorising an SCSB to block the Bid Amount in the ASBA Account and HNIs bidding with an application size of up to ₹ 500,000 (not using the UPI Mechanism) 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 Bidders, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs (excluding Anchor Investors) and NIBs (not using UPI Mechanism), Designated Intermediaries shall mean Syndicate, sub-syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders (except Anchor Investors) can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated July 29, 2024 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 Employees"	Permanent employees of our Company (excluding such employees not eligible to invest in the Offer under applicable laws, rules, regulations and guidelines), as on the date of filing the Red Herring Prospectus with the RoC and who continue to be a permanent employee of our Company until the submission of the ASBA Form and is a citizen of India and a person resident in India (as defined under the FEMA) as on the date of submission of the ASBA Form; and a Director of our Company who is a citizen of India and a person resident in India (as defined under the FEMA), 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 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 an under-subscription in the Employee Reservation Portion post 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
"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

Term	Description
	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 of face value of ₹1 each aggregating up to ₹[●] million, available for allocation to Eligible Employees, on a proportionate basis. Such portion shall not exceed 5% of the post-Offer equity share capital of our Company
"Escrow Account(s)"	The 'no-lien' and 'non-interest bearing' account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding ASBA Bidders) will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
"Escrow Collection Bank(s)"	The bank(s) which are clearing members and registered with SEBI as banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [●]
"First Bidder" or "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 shall also appear 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(s) thereto, not being less than the face value of 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
"Fresh Issue"	Fresh issue of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹8,000.00 million by our Company.
"Frost & Sullivan" or "F&S"	Frost & Sullivan (India) Private Limited
"F & S Report" or "Industry Report"	Industry Report titled '*Independent Market Assessment of the Global and Indian CRDMO Market*' dated July 8, 2024 issued by Frost & Sullivan. The F & S Report has been exclusively commissioned and paid for by our Company in connection with the Offer
"Fugitive Economic Offender"	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
"General Information Document" or "GID"	The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
"Gross Proceeds"	Gross proceeds of the Fresh Issue that will be available to our Company
"IIFL"	IIFL Securities Limited
"Jefferies"	Jefferies India Private Limited
"Kotak"	Kotak Mahindra Capital Company Limited
"Monitoring Agency"	[●], being a credit rating agency registered with SEBI
"Monitoring Agency Agreement"	Agreement to be entered into between our Company and the Monitoring Agency
"Morgan Stanley"	Morgan Stanley India Company Private Limited
"Mutual Funds"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares of face value of ₹1 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
"Net Offer"	The Offer, less the Employee Reservation Portion
"Net Proceeds"	Proceeds of the Offer, i.e., gross proceeds of the Fresh Issue less our Company's share of the offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 105
"Net QIB Portion"	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
"Non-Institutional Bidders" or "NIBs"	All Bidders that are not QIBs (including Anchor Investors) or RIBs or Eligible Employees bidding under 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 Net Offer being not less than 15% of the Net Offer comprising [●] Equity Shares of face value of ₹1 which shall be available for allocation to NIBs, subject to valid Bids being received at or above the Offer Price, in the following manner: (a) one-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1,000,000. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to Bidders in the other sub-category of NIBs, in accordance with the SEBI ICDR Regulations
"Non-Resident" or "NR"	Person resident outside India, as defined under FEMA, and includes a non-resident Indians, FVCIs and FPIs
"Offer"	The initial public offer of Equity Shares for cash consideration at a price of ₹[●] each, aggregating up to ₹[●] million, comprising of a Fresh Issue and an Offer for Sale.

Term	Description
"Offer Agreement"	The agreement dated July 29, 2024 entered into amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the requirements of the SEBI ICDR Regulations, based on which certain arrangements have been agreed to in relation to the Offer
"Offer for Sale"	The offer for sale of up to 61,573,120 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer
"Offer Price"	The final price at which Equity Shares will be Allotted to successful 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 which will be decided by our Company, in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company, in consultation with the BRLMs on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
"Offer Proceeds"	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to each of the Selling Shareholders in proportion to the respective portion of Offered Shares of each such Selling Shareholder. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 105
"Offered Shares"	Up to 61,573,120 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million being offered for sale by the Selling Shareholders in the Offer for Sale
"Price Band"	Price band ranging from a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot will be decided by our Company in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
"Pricing Date"	The date on which our Company, in consultation with the BRLMs will finalise the Offer Price, in compliance with the SEBI ICDR Regulations
"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, the size of the Offer and certain other information, including any addenda or corrigenda thereto
"Public Offer Account(s)"	The 'no-lien' and 'non-interest bearing' account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
"Public Offer Account Bank(s)"	The bank(s) which are a clearing member and registered with SEBI under the SEBI BTI Regulations, as a banker to an issue and with which the Public Offer Account will be opened for collection of Bid Amounts from the Escrow Account and ASBA Accounts on the Designated Date, in this case being [●]
"QIB Portion"	The portion of the Net Offer (including the Anchor Investor Portion) being not more than 50% of the Net Offer consisting of [●] Equity Shares of face value of ₹1 each which shall be available for allocation on a proportionate basis to QIBs (including Anchor Investors in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIB(s)" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
"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 Offer Price 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 on or after the Pricing Date
"Refund Account(s)"	Account to be opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made to Anchor Investors
"Refund Bank(s)"	The bank(s) which are clearing members registered with SEBI under the SEBI BTI Regulations, with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Brokers"	The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with SEBI and the Stock Exchanges having nationwide terminals, other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of circular no. CIR/ CFD/ 14/ 2012 dated October 4, 2012 issued by SEBI and the UPI Circulars
"Registrar Agreement"	The agreement dated July 10, 2024 entered into, amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the SEBI RTA Master Circular, as per the list available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and the UPI Circulars
"Registrar to the Offer" or "Registrar"	KFin Technologies Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, whose Bid Amount for the Equity Shares is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs), and does not include NRIs other than Eligible NRIs

Term	Description
"Retail Portion"	The portion of the Net Offer being not less than 35% of the Net Offer consisting of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million, which shall be available for allocation to RIB in accordance with the SEBI ICDR Regulations, which shall not be less than the minimum Bid Lot (subject to availability in the Retail Portion), subject to valid Bids being received at or above the Offer Price
"Revision Form"	The forms used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and NIBs are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. RIBs and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date
"SCORES"	SEBI complaints redress system
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, which offer the facility of ASBA services: (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable and updated from time to time and at such other websites as may be prescribed by SEBI from time to time; and (ii) in relation to UPI Bidders, a list of which is available on the website of SEBI at www.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. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism, which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time
"Share Escrow Agent"	Share escrow agent to be appointed pursuant to the Share Escrow Agreement being, [●]
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent in connection with the transfer of the respective portion of the Offered Shares by each Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment
"Specified Locations"	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
"Sponsor Bank(s)"	Banker(s) to the Offer, appointed by our Company to act as conduits between the Stock Exchanges and NPCI in order to push the mandate collect requests and/ or payment instructions of the UPI Bidders and carry out other responsibilities, in terms of the UPI Circulars, in this case being [●]
"Stock Exchanges"	Together, BSE and NSE
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
"Syndicate Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, the BRLMs, the Registrar to the Offer and the Syndicate Members, in relation to collection of Bid cum Application Forms by the Syndicate
"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 Member(s)"	Merchant bankers or stockbrokers registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders and the Underwriters on or after the Pricing Date but prior to filing of the Prospectus with the RoC
"UPI"	Unified Payments Interface, which is an instant payment mechanism, developed by NPCI
"UPI Bidder(s)"	Collectively, individual investors applying as (i) RIBs in the Retail Portion, (ii) Eligible Employees in the Employee Reservation Portion; and (iii) NIBs 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 RTAs. 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 shall use the UPI Mechanism and 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 number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular number

Term	Description
	SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular number SEBI/HO/CFD/DIL-2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (to the extent these circulars are not rescinded by the SEBI RTA Master Circular), SEBI RTA Master Circular (to the extent it pertains to UPI), SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022 and any subsequent circulars or notifications issued by SEBI and Stock Exchanges 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 Bidders by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the UPI Bidders to such UPI linked mobile application) to the UPI Bidders initiated by the Sponsor Bank(s) to authorise blocking of funds on the UPI application and subsequent debit of funds in case of Allotment
"UPI Mechanism"	The bidding mechanism that may be used by an UPI Bidders in accordance with the UPI Circulars to make an ASBA Bid in the Offer
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter" or "Fraudulent Borrower"	Wilful defaulter or fraudulent borrower 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. In respect of announcement of Price Band and Bid/ Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of 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 in India, as per circulars issued by SEBI, including the UPI Circulars

Technical, Industry and Business-Related Terms or Abbreviations

Term	Description
AAALAC	Association for Assessment and Accreditation of Laboratory Animal Care
AI	Artificial intelligence
APIs	Active pharmaceutical ingredients
CADD	Computer Aided Drug Design
CAGR	Compound annual growth rate
Capital expenditure	Capital Expenditure is calculated as the addition of property, plant and equipment during the year plus other intangible assets during the year less the balance of capital work in progress at beginning of the year plus balance of capital work in progress at end of the year.
CDMO	Contract development and manufacturing organization
CDSCO	Central Drug Standards Control Organization, India
CMC	Chemistry manufacturing and control
COFEPRIS Mexico	Federal Commission for the Protection against Sanitary Risk of Mexico
CPP	Critical process parameters
CRDMO	Contract research, development and manufacturing organization
CSR	Corporate social responsibility
CRO/ Discovery	Contract research organisation
DMPK	Drug metabolism and pharmacokinetics
EBITDA	Earnings before tax expenses, interest costs and depreciation and amortization expenses
EBITDA margin	EBITDA margin is calculated as EBITDA divided by revenue from operations.
EBITDA - YoY	Year on year EBITDA growth is calculated as the current period EBITDA minus prior period EBITDA divided by prior period EBITDA.
ESG	Environment, social and governance
FFS	Fee-for-service
FTE	Full-time equivalent
Gross fixed asset turnover	Gross fixed asset turnover is calculated as revenue from operations divided by gross fixed assets.
HIT	Hit identification
HSE	Health, Safety, and Environment
HRMS	High-Resolution Mass Spectrometry
IDOT	Isotope Dilution Oligonucleotide Quantification Technique
IND	Investigational New Drug
Intermediate	Compounds used with other substances to create APIs
Inventory Days	Inventory Days is calculated by dividing average inventory by cost of goods sold and multiplying it by 365 days
KSMs	Key starting materials
HPAPIs	Highly potent oncology APIs
Material Margin	Material Margin is calculated as Revenue minus Material Cost. Material Cost is calculated as cost of materials consumed plus changes in inventory of WIP.
Material Margin (%)	Material Margin (%) is calculated as the absolute amount of material margin expressed as a percentage of total revenue from operations.

Term	Description
MSAs	Master services agreements
Net debt / equity	Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.
Net debt/ EBITDA	Net Debt divided by EBITDA. Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.
Net working capital days	Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).
NCE	New chemical entities
PK-PD	Pharmacokinetic-pharmacodynamic
PMDA	Pharmaceuticals and Medical Devices Agency, Japan
Profit after tax margin	Profit after tax margin is calculated as the restated profit after tax divided by revenue from operations.
PSCI	Pharmaceutical Supply Chain Initiative
Return on capital employed (ROCE)	ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital employed is calculated as aggregate of total equity, total borrowings including lease liabilities.
Return on equity (ROE)	ROE is calculated as profit for the year divided by total equity for the relevant year.
Revenue contribution from contract research	Revenue contribution from contract research is calculated as revenue from contract research divided by revenue from contract research, development and manufacturing activities.
Revenue from contract development and manufacturing	Revenue contribution from contract development and manufacturing is calculated as revenue from contract development and manufacturing divided by revenue from contract research, development and manufacturing activities.
RSMs	Registered starting materials
SAR	Structure-activity relationship
SPR	Surface plasmon resonance
Total borrowings	Total borrowings is calculated as aggregate of current borrowings and non-current borrowings.
USFDA	United States Food and Drug Administration
Year on year EBITDA growth	Year on year EBITDA growth is calculated as the current period EBITDA minus prior period EBITDA divided by prior period EBITDA.
Year on year revenue growth	Year on year revenue growth is calculated as the current period revenue minus prior period revenue divided by prior period revenue.
Year on year PAT growth	Year on year PAT growth is calculated as the current period PAT minus prior period PAT divided by prior period PAT.

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." Or "Rupees" or "INR"	Indian Rupees
"AGM"	Annual General Meeting
"Bn" or "bn"	Billion
"BSE"	BSE Limited
"CAGR"	Compound annual growth rate
"Calendar Year"	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
"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
"Companies Act, 1956"	Companies Act, 1956, along with the relevant rules made thereunder
"Consolidated FDI Policy"	Consolidated Foreign Direct Investment Policy notified by the DPIIT under DPIIT File Number 5(2)/2020-FDI Policy dated October 15, 2020, effective from October 15, 2020
"COVID-19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020, and a pandemic on March 11, 2020
"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
"EGM"	Extraordinary general meeting
"EPS"	Earnings per equity share

Term	Description
"Factories Act"	Factories Act, 1948
"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
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"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
India Ratings and Research	India Ratings and Research Private Limited
"IPO"	Initial public offering
"IST"	Indian Standard Time
"IT"	Information Technology
"IT Act"	The Information Technology Act, 2000
"LLP"	Limited Liability Partnership
"KYC"	Know Your Customer
"MCA"	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
"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
"NBFC – ND - SI"	Systemically important non-deposit taking NBFCs in terms of Master Direction on Non-Banking Financial Company -Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
"NEFT"	National Electronic Fund Transfer
"NPCI"	National Payments Corporation of India
"NRE"	Non - Resident External
"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
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RTGS"	Real Time Gross Settlement
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SCRA"	Securities Contracts (Regulation) Act, 1956
"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 FUTP Regulations"	Securities and Exchange Board of India (Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003
"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 ICDR Master Circular"	SEBI master circular bearing number SEBI/HO/CFD/PoD- 2/P/CIR/2023/00094 dated June 21, 2023
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992

Term	Description
“SEBI RTA Master Circular”	SEBI master circular bearing number SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 7, 2024
“SEBI SBEB & SE 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
“Trademarks Act”	Trade Marks Act, 1999
“U.S. QIBs”	“qualified institutional buyers”, as defined in Rule 144A
“U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“U.S.” or “USA” or “U.S.A” 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
“WACA”	Weighted average cost of acquisition

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India and its territories and possessions and all references 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 "US", "U.S.", "USA", "U.S.A" or "United States" are to the United States of America and its territories and possessions and all references to "Federal Republic of Germany" or "Germany" are to Federal Republic of Germany and its territories and possessions. All references to the "UK", "U.K" or "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the corresponding page numbers of this Draft Red Herring Prospectus. Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in IST.

Financial Data

Our Company's Financial Year commences on April 1 and ends on March 31 of the next year. Unless stated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to the terms Fiscal or Fiscal Year or Financial Year are to the 12 months ended March 31 of such year.

Unless the context requires otherwise, the financial information and financial ratios in this Draft Red Herring Prospectus are derived from our Restated consolidated financial information of our Company and our Subsidiaries as at for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 comprises of the restated consolidated statements of assets and liabilities as at March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statements of changes in equity, the restated consolidated statements of cash flows for the years ended March 31, 2024, March 31, 2023 and March 31, 2022, and the summary statement of material accounting policies and other explanatory information prepared in accordance with the requirement of Section 26 of Part I of Chapter III of the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended and the Guidance Note on 'Reports in Company Prospectuses (Revised 2019)' issued by the Institute of Chartered Accountants of India, as amended. For further information, see "*Summary of Financial Information*", "*Restated Consolidated Financial Information*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 55, 215 and 276, respectively.

There are significant differences between Ind AS, Indian GAAP, the Generally Accepted Accounting Principles in the United States of America ("**U.S. GAAP**") and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US 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 Company's financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS. See "*Risk Factors – We track certain operational performance metrics including certain non-GAAP financial measures with internal systems and tools. Some of these operational performance metrics may differ from similar metrics published by other companies, including peer companies and hence their comparability may be limited*" on page 45. 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, 2013, 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.

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 in decimals have been rounded off to the second decimal place and all percentage figures have been rounded off to two decimal places. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Red Herring Prospectus as rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, or certain ratios as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 24, 156 and 276, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Consolidated Financial Information.

Non-GAAP Financial Measures

Certain non-GAAP financial measures relating to our financial performance, namely Net Worth, Return on Net Worth (RoNW)/Return on Equity (RoE), Net Asset Value per share, EBITDA, year on year EBITDA growth, EBITDA Margin, Return on Capital Employed (ROCE), capital expenditure, net debt/Equity and net debt / EBITDA have been included in this Draft Red Herring Prospectus and are a supplemental measure of our business, performance and liquidity that are not required by, or presented in accordance with, Ind AS, IFRS or U.S. GAAP. Further, these Non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the period / year 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, IFRS or US GAAP. These non-GAAP financial measures and other information relating to financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and, therefore a comparison of similarly titled Non-GAAP Measures or other information relating to operations and financial performance between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their 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 they are useful information in relation to our business and financial performance. For further details see "*Risk Factors-. We track certain operational performance metrics including certain non-GAAP financial measures with internal systems and tools. Some of these operational performance metrics may differ from similar metrics published by other companies, including peer companies and hence their comparability may be limited"* on page 45.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India; and
- "USD" or "$" or "US$" are to Dollar, the official currency of the United States of America.
- "Euro" or "€" are to Euro, the official currency of the Federal Republic of Germany

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million" units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. Figures sourced from third-party industry sources may be expressed in denominations other than millions and such figures have been expressed in this Draft Red Herring Prospectus in such denominations 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 other foreign currencies:

(amount in ₹)

Currency	Exchange rate as at		
	March 31, 2024*	March 31, 2023	March 31, 2022
1 USD	83.37	82.22	75.81
1 EUR	90.22	89.61	84.66

Source: www.fbil.org.in.

* *The previous working day, not being a public holiday, has been considered.*

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 obtained or derived from the F & S Report which has been exclusively commissioned and paid for by our Company pursuant to an engagement letter dated April 15, 2024, for the purpose of understanding the industry in connection with this Offer, since no report is publicly available which provides a comprehensive industry analysis, particularly for our Company's services, that may be similar to F & S Report. The F & S Report is available on the website of our Company at https://www.sailife.com/investors/. Frost & Sullivan is an independent agency which has no relationship with our Company, our Promoters, any of our Directors, Key Managerial Personnel, Senior Management Personnel, our Subsidiaries, the Selling Shareholders or the Book Running Lead Managers.

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.

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 – We have* *commissioned an industry report from Frost & Sullivan which have been used for industry related data in this DRHP and such data has not been independently verified by us*." on page 44.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price - Quantitative Factors – Comparisons of accounting ratios with listed industry peers*" beginning on page 115 includes information relating to our peer group companies. Such information has been derived from publicly available sources specified herein. Such industry sources and publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. 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 Assessment of the Global and Indian CRDMO Market" has been prepared for the proposed initial public offering of equity shares by Sai Life Sciences Limited (the "**Company**").*

Industry research companies such as Frost & Sullivan provide analysis based on information that has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry analysis is also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts, and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of relevant markets, and should not place undue reliance on or base their investment decision solely on this information. Investors 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. No material information has been discarded or left out by Frost & Sullivan and the said report is an excerpt of the full report.

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 offered in the Offer have not been and will not be registered under the United States Securities Act of 1933, as amended (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 (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**"; for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "**QIBs**") in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside of the United States in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See "*Other Regulatory and Statutory Disclosures – Eligibility and Transfer Restrictions*" on page 322.

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.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact may constitute "forward-looking statements". All statements regarding our expected financial condition and results of operations, business, plans and prospects are 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", "likely to", "seek to", "strive to", "shall", "objective", "plan", "project", "propose", "will", "will achieve", "will continue", "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 whether made by us or any third parties in this Draft Red Herring Prospectus are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement, including but not limited to, regulatory changes pertaining to the industry 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 and globally, which have an impact on our 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 and international laws, regulations and taxes and changes in competition in our industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- our ability to secure business from biotechnology and pharmaceutical customers;
- our ability to meet our customers' standards in audits and inspections;
- our ability to achieve the desired outcomes in our R&D activities;
- our ability to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business; and
- manufacturing interruptions or delays.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 24, 156 and 276, 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 future gains or losses could materially differ from those that have been estimated and are not a guarantee of 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. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors 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.

These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on 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, any Selling Shareholder, our Directors, 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 requirements of SEBI, our Company shall ensure that Bidders in India are informed of material developments, in relation to statements and undertakings confirmed and undertaken by our Company and each of the Selling Shareholders, severally and not jointly, in relation to and to the extent that such information and information pertains to itself as a Selling Shareholder and its respective portion of the Offered Shares, until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. In this regard, each of the Selling Shareholders shall, severally and not jointly, ensure that our Company is informed of material developments in relation to the statements and undertakings specifically confirmed or undertaken by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective portion of the Offered Shares in the Red Herring Prospectus, from the date thereof until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer. Further, the Selling Shareholders do not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

SECTION II: OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and the terms of the Offer and is not exhaustive, nor does it purport to contain a summary of all 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", "Objects of the Offer", "Industry Overview", "Our Business", "Our Promoters and Promoter Group", Restated Consolidated Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Main Provisions of the Articles of Association" beginning on pages 24, 53, 66, 105, 127, 156, 204, 215, 307, 344, and 365, respectively.

Primary business of our Company

We are an innovator-focused CRDMO. We provide end-to-end services across the drug discovery, development and manufacturing value chain, for small molecule NCE to global pharmaceutical innovators companies and biotechnology firms. We possess both (a) discovery / contract research and (b) CMC / CDMO capabilities. We are also one of the few CRDMOs in India to have a unique delivery model of having research laboratories for discovery and development located near overseas innovation hubs at Watertown (Greater Boston, MA), US and Manchester, UK, complemented by large-scale research laboratories and manufacturing facilities in cost competitive locations in India. (*Source: F&S Report*).

Industry in which our Company operates

The global small molecule CRDMO industry size is expected to expand at a CAGR of 7.0% from 2023-2028. The global small molecule CRDMO industry is expected to reach USD159 billion by 2028F, comprising c.53% of the overall CRDMO industry globally. Key drivers for this growth are increasing pharmaceutical and biotech R&D outsourcing, continued demand for small molecules, and growing demand for cost-effective drugs. (*Source: F&S Report)*.

India's CRDMO market has undergone significant expansion in recent years. The India CRDMO market was amongst the fastest growing markets in APAC over 2018-2023. This growth is expected to continue, with Indian market projected to grow by 14.0% between 2023 and 2028, faster than the growth of the APAC market and the global CRDMO market, reaching an estimated value of USD14.1 billion in 2028. (*Source: F&S Report).*

Our Promoters

Our Promoters are Kanumuri Ranga Raju, Krishnam Raju Kanumuri, Kanumuri Mytreyi, Sai Quest Syn Private Limited, Marigold Partners, Sunflower Partners, Tulip Partners and Lily Partners. For details, see "*Our Promoters and Promoter Group*" beginning on page 204.

Offer size

The following table summarizes the details of the Offer.

Offer of Equity Shares(1)(2)(3)	Up to [●] Equity Shares of face value of ₹1 each for cash at price of ₹[●] per Equity Share (including a premium of [●] per Equity Share) aggregating up to ₹[●] million.
Of which:	
(i) Fresh Issue(1)	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹8,000.00 million.
(ii) Offer for Sale(2)	Up to 61,573,120 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million.
The Offer comprises:	
Employee Reservation Portion(3)	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million.
Net Offer	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million.

(1) *The Offer has been approved by our Board pursuant to the resolutions passed at their meetings dated July 4, 2024 and the Fresh Issue has been authorised by our Shareholders pursuant to the special resolution passed at their extraordinary general meeting dated July 4, 2024.*

(2) *Our Board and IPO Committee have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale by each of the Selling Shareholders pursuant to resolutions passed in their meeting held on July 10, 2024 and July 12, 2024, respectively. For further details, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 53 and 319 respectively.*

(3) *The Employee Reservation Portion shall not exceed 5% of our post-Offer equity share capital. 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. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation of 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 subject to applicable limits. For further details, see "The Offer" beginning on page 53.*

The Offer and Net Offer shall constitute [●]% and [●]% of the post Offer paid up Equity Share capital of our Company, respectively. For further details, see "*The Offer*" and "*Offer Structure*" beginning on pages 53 and 340, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ million)

Particulars	Estimated amount
Repayment/ pre-payment, in part or full, of all or certain outstanding borrowings availed by our Company	6,000.00
General corporate purposes	[●]#
Total	**[●]***

* *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*
\# *The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Offer*" beginning on page 105.

Aggregate pre-Offer and post-Offer shareholding of the Promoters, Promoter Group and Selling Shareholders

Category of Shareholders	Pre-Offer		Post-Offer*	
	No. of Equity Shares of face value of ₹1 each	**Percentage of pre-Offer paid-up Equity Share capital on a fully diluted basis (%)##**	**No. of Equity Shares of face value of ₹1 each**	**Percentage of post-Offer paid-up Equity Share capital on a fully diluted basis (%)**
Promoters				
Marigold Partners	21,606,800#	11.25	[●]	[●]
Sunflower Partners	15,184,270#	7.91	[●]	[●]
Sai Quest Syn Private Limited^	10,762,480	5.61	[●]	[●]
Tulip Partners	9,043,920#	4.71	[●]	[●]
Lily Partners	6,723,690#	3.50	[●]	[●]
Krishnam Raju Kanumuri	2,950,000	1.54	[●]	[●]
Kanumuri Ranga Raju	165,000	0.09	[●]	[●]
Kanumuri Mytreyi	60,000	0.03	[●]	[●]
Promoter Group				
Gokaraju Subba Raju	9,387,300	4.89	[●]	[●]
Gokaraju Lakshmi Tanuja	1,301,210	0.68	[●]	[●]
Kanumuri Sudha	500,000	0.26	[●]	[●]
Continental Wines Private Limited	19,670	0.01	[●]	[●]
Investor Selling Shareholders				
TPG Asia VII SF Pte Ltd	76,201,800	39.69	[●]	[●]
HBM Private Equity India	10,557,320	5.50	[●]	[●]
Other Selling Shareholders				
Anita Rudraraju Nandyala	4,184,420	2.18	[●]	[●]
Raju Penmasta	2,866,000	1.49	[●]	[●]
Bharathi Srivari	900,000	0.47	[●]	[●]
Dr. Dirk Walter Sartor	250,000	0.13	[●]	[●]
Jagdish Viswanath Dore	250,000	0.13	[●]	[●]
Rajagopal Srirama Tatta	250,000	0.13	[●]	[●]
K Pandu Ranga Raju	118,330	0.06	[●]	[●]
Alluri Srinivasa Raju	50,000	0.03	[●]	[●]
Bhupathi Raju Atchuta Ramakrishna Raju	30,000	0.02	[●]	[●]
Srinivasa Rao Karra	20,000	0.01	[●]	[●]
Venkata Narasimha Sastry Renduchintala	5,000	Negligible	[●]	[●]

** Subject to completion of the Offer and finalization of the Allotment.*
 # The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of the Preference Shares Amendment Agreement. For details of the CCPS, see "Capital Structure" beginning on page 66.
##The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of the Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.
^ Also the Promoter Selling Shareholder.

For further details of the Offer, see "*Capital Structure*" beginning on page 66.

Summary of Restated Consolidated Financial Information

The following details are derived from the Restated Consolidated Financial Information as at March 31, 2024, March 31, 2023 and March 31, 2022.

(in ₹ million, unless otherwise stated)

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Equity share capital	180.50	180.10	179.43
Total income	14,942.69	12,451.05	8,977.41
Profit/(Loss) for the year	828.09	99.89	62.26

Particulars	As at and for the Financial Year ended March 31, 2024	As at and for the Financial Year ended March 31, 2023	As at and for the Financial Year ended March 31, 2022
Basic earnings per equity share (in ₹)(1)(2)	4.57	0.55	0.35
Diluted earnings per equity share (in ₹)(1)(2)	4.53	0.55	0.34
Total borrowings(3)	7,101.63	6,992.29	7,513.18
Net Worth(4)	9,751.44	8,880.93	8,785.65
Return on Net Worth(5) (%)	8.49	1.12	0.71
Net Asset Value per Equity Share(6) (in ₹)	53.83	49.18	48.90

Notes:

(1) *Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).*

(2) *Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, our Company sub-divided the face value of its equity shares from ₹10 each to ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1,83,92,034 equity shares of ₹10 each to 18,39,20,340 Equity Shares of ₹1 each. In compliance with IND AS - 33, earnings per share, the disclosure of basic and diluted earnings per share for all the years presented has been arrived at after giving effect to the above sub-division.*

(3) *Total borrowings includes current and non-current borrowings.*

(4) *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.*

(5) *Return on Net worth is calculated by dividing the profit for the respective years by the total equity as on the last date of the respective year*

(6) *Net Asset Value per Equity Share represents total equity as at the end of the fiscal year, as divided by the weighted average number of Equity Shares outstanding during the year.*

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 there are no qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

The 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*" beginning on page 307 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 Promoter in the last five years	Material civil or other litigations	Aggregate amount involved (in ₹ million)^
Company						
By our Company	Nil	Nil	Nil	N.A	Nil	Nil
Against our Company	Nil	42	1	Nil	Nil	3,049.99
Directors						
By our Directors	Nil	Nil	Nil	N.A	Nil	Nil
Against our Directors	Nil	1	Nil	N.A	Nil	0.14
Promoters						
By our Promoters	Nil	Nil	Nil	N.A	Nil	Nil
Against our Promoters	Nil	3@	Nil	Nil	Nil	0.49
Subsidiaries						
By Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil

^ *To the extent quantifiable.*

@ *Includes a matter involving Krishnam Raju Kanumuri, one of our Promoters, who is also our Managing Director and Chief Executive Officer, and as appearing under "Directors – Against our Directors – Tax proceedings", in the table above*

As on date of this Draft Red Herring Prospectus, there are no group companies of our Company.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" beginning on page 307.

Risk Factors

For details in relation to certain risks applicable to us, see "*Risk Factors*" beginning on page 24.

Summary of Contingent Liabilities

The details of our contingent liabilities as at March 31, 2024 are set forth in the table below:

Particulars	As at March 31, 2024 (₹ in million)
a. Claims arising from disputes not acknowledged as debts in respect of:	
Excise Duty Liabilities	7.25
Service Tax Liabilities	12.36
Provident Fund Damages relating to PF contribution of international workers	21.89
Income Tax Liabilities	18.27
VAT Liabilities	67.56
GST Liabilities	77.31
Total	204.64
b. Issue of Standby Line of Credit to vendor on behalf of Subsidiary	36.20

For details on contingent liabilities, as per Ind AS 37, see "*Restated Consolidated Financial Information – Note 42(b). Contingent liabilities*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 267 and 276, respectively.

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, 2024, March 31, 2023 and March 31, 2022 derived from our Restated Consolidated Financial Information are as follows:

(*in ₹ million*)

Name of the Party	Nature of Transaction	For the year ended March 31, 2024	For the year ended March 31, 2023	For the year ended March 31, 2022
Sai Life Sciences Inc.	Marketing cross charge	370.92	302.31	390.42
Sai Life Sciences GmbH	Marketing cross charge	34.81	31.30	-
Sai Life Sciences Inc.	Research Services Provided	26.83	54.92	54.33
Sai Life Sciences Inc.	Issue of Standby Line of Credit	36.20	35.68	32.90
Sai Life Pharma Private Limited	Rent expenses	1.38	1.35	1.35
Sai Life Pharma Private Limited	FTE cross charge	16.92	-	-
Sai Life Sciences Inc.	Purchases of Lab consumables	91.93	92.44	13.68
Sai Life Sciences Inc.	Service fee incurred for procurement of lab consumables	28.35	-	-
Sai Life Sciences Inc.	Investment in equity share capital	-	148.50	-
Sai Life Sciences GmbH	Investment in equity share capital	-	-	2.11
Independent Directors	Commission	4.45	6.06	6.07
Independent Directors	Sitting Fees	0.31	0.36	0.40
Independent Directors	Reimbursement of expenses	0.63	-	0.03
Key Managerial Personnel	Managerial remuneration	94.81	89.25	40.07

For details of the related party transactions, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

Weighted average price at which the Equity Shares were acquired by the Promoters and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

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

Name of the Shareholder	Number of equity shares of face value ₹1 each acquired in the preceding one year	Number of equity shares of face value ₹1 each acquired in the preceding one year post-CCPS conversion**	Weighted average price per equity share (₹)*
Promoters			
Sai Quest Syn Private Limited^	75,000	75,000	100.00
Marigold Partners	2,101,680	3,783,020	24.45
Sunflower Partners	2,098,320	3,776,980	24.45
Tulip Partners	900,720	1,621,300	24.45
Lily Partners	899,280	1,618,700	24.45
Kanumuri Ranga Raju	25,000	25,000	100.00

* *As certified by Bashetty & Joshi, Chartered Accountants, pursuant to their certificate dated July 29, 2024.*

** *Assuming conversion of outstanding CCPS.*

^ *Also the Promoter Selling Shareholder.*

Note:- Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, our Company sub-divided the face value of its equity shares from ₹10 each to ₹1 each. Accordingly, the number of equity shares of face value ₹1 acquired in the preceding one year and weighted average price per equity share, includes the effect of sub-division.

Weighted average cost of acquisition of the Promoters and Selling Shareholders

The weighted average cost of acquisition per equity share acquired by the Promoters and Selling Shareholders, as on the date of this Draft Red Herring Prospectus is:

Name of the Shareholder	Number of Equity Shares of face value ₹1 each held pre-CCPS conversion	Number of Equity Shares of face value ₹1 each held post – CCPS conversion[#]	Weighted average cost of acquisition per equity share (in ₹)[*#]
Promoters			
Kanumuri Ranga Raju	165,000	165,000	180.10
Krishnam Raju Kanumuri	2,950,000	2,950,000	1.38
Kanumuri Mytreyi	60,000	60,000	70.00
Sai Quest Syn Private Limited^	10,762,480	10,762,480	10.37
Sunflower Partners	13,505,610	15,184,270	6.08
Lily Partners	6,004,270	6,723,690	5.89
Marigold Partners	19,925,460	21,606,800	4.28
Tulip Partners	8,323,344	9,043,920	4.38
Investor Selling Shareholders			
TPG Asia VII SF Pte Ltd	76,201,800	76,201,800	127.27
HBM Private Equity India	10,557,320	10,557,320	42.53
Other Selling Shareholders			
Bharathi Srivari	900,000	900,000	1.00
Anita Rudraraju Nandyala	4,184,420	4,184,420	0.52
Raju Penmasta	2,866,000	2,866,000	1.00
Dr. Dirk Walter Sartor	250,000	250,000	10.40
Jagdish Viswanath Dore	250,000	250,000	127.30
Rajagopal Srirama Tatta	250,000	250,000	6.78
K Pandu Ranga Raju	118,330	118,330	1.74
Alluri Srinivasa Raju	50,000	50,000	3.00
Bhupathi Raju Atchuta Ramakrishna Raju	30,000	30,000	4.50
Srinivasa Rao Karra	20,000	20,000	3.00
Venkata Narasimha Sastry Renduchintala	5,000	5,000	5.00

Assuming conversion of outstanding CCPS. For details of the CCPS, see "Capital Structure" beginning on page 66.

* *As certified by Bashetty & Joshi, Chartered Accountants pursuant to their certificate dated July 29, 2024.*

^ *Also the Promoter Selling Shareholder.*

Note:- Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, our Company sub-divided the face value of its equity shares from ₹10 each to ₹1 each. Accordingly, the number of equity shares of face value ₹1 acquired in the preceding one year and weighted average price per equity share, includes the effect of sub-division.

Details of price at which specified securities were acquired in the last three years preceding the date of this Draft Red Herring Prospectus by our Promoters, the Promoter Group, the Selling Shareholders and the Shareholders with rights to nominate one or more directors on the Board or other rights

Except as stated below, there have been no specified securities that were acquired in the last three years preceding the date of this Draft Red Herring Prospectus, by our Promoters, the Promoter Group, the Selling Shareholders and Shareholders with special right to nominate one or more directors on the Board of our Company or other rights, as applicable. The details of the respective price at which these acquisitions were undertaken is stated below:

A. Equity Shares

Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of equity shares acquired	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹)[*]
Promoters				
Sai Quest Syn Private Limited^	April 4, 2024	75,000	1	100.00
Kanumuri Ranga Raju	December 27, 2022	140,000	1	70.00
	April 4, 2024	25,000	1	1,00.00
Kanumuri Mytreyi	December 26, 2022	60,000	1	70.00
Tulip Partners	July 4, 2024	720,580	1	N.A
		180,140	1	
Marigold Partners	July 4, 2024	1,681,340	1	N.A
		420,340	1	
Lily Partners	July 4, 2024	719,420	1	N.A
		179,860	1	
Sunflower Partners	July 4, 2024	1,678,660	1	N.A

Name of the acquirer/shareholder	Date of acquisition of equity shares	Number of equity shares acquired	Face value per equity share (in ₹)	Acquisition price per equity share (in ₹)*
		419,660	1	
Other Selling Shareholders				
Jagdish Viswanath Dore	July 21, 2022	62,500	1	127.30
Rajagopal Srirama Tatta	December 28, 2021	150,000	1	8.30
		490	1	4.50
Dr. Dirk Walter Sartor	October 26, 2021	250,000	1	10.40

* *As certified by Bashetty & Joshi, Chartered Accountants pursuant to their certificate dated July 29, 2024.*

^ *Also the Promoter Selling Shareholder.*

Note: Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, our Company sub-divided the face value of its equity shares from ₹10 each to ₹1 each. Accordingly, the issued and paid-up equity share capital of our Company was sub-divided from 1,83,92,034 equity shares of ₹10 each to 18,39,20,340 Equity Shares of ₹1 each. Accordingly, the number of equity shares of face value ₹1 acquired, face value per equity shares and acquisition price per equity share, includes the effect of sub-division.

B. *Preference shares*

Name of the acquirer/shareholder	Date of acquisition of CCPS	Number of CCPS acquired	Face value per CCPS (in ₹)	Acquisition price per CCPS (in ₹)*
Promoters				
Sunflower Partners	July 4, 2024	167.866	10	N.A
Marigold Partners	July 4, 2024	168,134	10	N.A
Lily Partners	July 4, 2024	71,942	10	N.A
Tulip Partners	July 4, 2024	72,058	10	N.A

* *As certified by Bashetty & Joshi, Chartered Accountants pursuant to their certificate dated July 29, 2024.*

Weighted average cost of acquisition of all shares transacted in three years, 18 months and one year immediately preceding this Draft Red Herring Prospectus

Period	Weighted Average Cost of Acquisition (in ₹)^#	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in ₹)^
Last one year	40.12	[●]*	3.00 - 190.00
Last 18 months	48.75	[●]*	3.00 - 190.00
Last three years	38.09	[●]*	3.00 - 190.00

* *To be updated upon finalization of the Price Band.*

^ *As certified by Bashetty & Joshi, Chartered Accountants pursuant to their certificate dated July 29, 2024.*

\# *Computed based on the equity shares acquired/allotted/purchased (including acquisition pursuant to transfer and excluding equity shares acquired pursuant to bonus issuances and gifts).*

Note: Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, the weighted average cost of acquisition and range of acquisition price includes the effect of sub-division.

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.

Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken sub-division or consolidation of its equity shares in the one year preceding the date of this Draft Red Herring Prospectus.

Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each

Financing Arrangements

There have been no financing arrangements whereby our Promoters, 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 this Draft Red Herring Prospectus.

Pre-IPO placement

Our Company does not propose to undertake any pre-IPO placement of its Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

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

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

SECTION III: RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. Potential investors should carefully consider all of the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. This Draft Red Herring Prospectus contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including the considerations described in this section and elsewhere in this Draft Red Herring Prospectus. See "Forward-Looking Statements" beginning on page 16.

We have described the risks and uncertainties that we believe are material, but these risks and uncertainties may not be the only risks relevant to us, our Equity Shares, or the industry in which we currently operate or propose to operate. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also have an adverse impact on our business, results of operations, cash flows and financial condition. If any or a combination of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition may be adversely affected, the price of the Equity Shares could decline, and investors may lose all or part of their investment.

In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. To obtain a complete understanding of our business, you should read this section in conjunction with the sections titled "Industry Overview", "Our Business", "Restated Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on pages 127, 156, 215 and 276, respectively, of this Draft Red Herring Prospectus, as well as the other financial information contained 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 Assessment of the Global and Indian CRDMO Market" dated July 8, 2024 ("**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited ("**F&S**"), appointed by us on April 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. 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 calendar year. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data" on page 13. F&S is an independent agency and is not related to our Company, its Subsidiaries, its Directors, Promoters, Promoter Group, Key Managerial Personnel, Senior Management Personnel or Selling Shareholders.*

Our Financial Year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Financial Year are to the 12 months ended March 31 of that year. Unless otherwise stated, or the context otherwise requires, the financial information used in this section is derived from our Restated Consolidated Financial Information included in the section titled "Restated Consolidated Financial Information" beginning on page 215.

Unless the context otherwise requires, in this section, references to "we", "us", or "our" refers to Sai Life Sciences Limited and its Subsidiaries, associates and joint ventures on a consolidated basis and references to our Company" refer to Sai Life Sciences Limited on a standalone basis.

Internal Risk Factors

1. ***Our financial performance depends on our ability to secure business from biotechnology and pharmaceutical customers and consequently we may be subject to risks, uncertainties and trends that affect our customers in these industries over which we have no control.***

   A substantial portion of the Discovery (CRO) and CMC (CDMO) services we provide is reliant on biotechnology customers. These companies typically depend on funding, which is highly sensitive to market fluctuations. In challenging economic climates, there is a heightened risk that these firms will experience decreased funding, leading to potential business closure, more so than with our pharmaceutical customers, who are less likely to face shutdowns in such situations. While we have not experienced any business closure and/or shutdowns by our biotechnology customers which had a material adverse impact on our financials in the past three Financial Years, our financial health is, substantially contingent upon the sustained influx of capital into the biotechnology sector and the continued success and progression of our Discovery services. Moreover, early-stage discovery encompasses advanced chemistry and biology, along with the capacity to problem-solve multiple technical issues concerning newly discovered molecules. If our R&D efforts prove unsuccessful or inferior to those of our competitors, customers may choose to discontinue their R&D endeavours with us. Furthermore, biotechnology companies engaged in the discovery space usually operate a small number of programs, and inadequate funding can lead to their abrupt termination. Additionally, our contracts with biotechnology companies have shorter termination periods, generally of 30 days, which could lead to increased operational challenges as there may be limited time to mitigate disruptions or secure alternative arrangements. These contracts include certain indemnity obligations that we undertake towards such biotechnology companies. For further information on our indemnity obligations to our customers, see risk factor, "*If we inadvertently infringe on the patents or intellectual property rights of others, we may be subjected to legal action and our business and reputation may be adversely affected.*" on page 32.

The table below sets forth the revenue split between our CRO and CDMO services, including as a percentage of our revenue from contract research, development and manufacturing activities, for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from contract research, development and manufacturing activities***	***(₹ in millions)***	***% of revenue from contract research, development and manufacturing activities***	***(₹ in millions)***	***% of revenue from contract research, development and manufacturing activities***
Contract research	4,971.70	33.85	4,671.19	39.03	2,737.28	31.49
Contract development and manufacturing	9,715.53	66.15	7,298.30	60.97	5,953.96	68.51
Revenue from contract research, development and manufacturing activities	14,687.23	100.00	11,969.49	100.00	8,691.24	100.00

Our CMC services depend on the budgets allocated by innovator pharmaceutical companies for the development of new drugs and the manufacturing of existing ones. If these pharmaceutical companies reduce their development expenditures for any reason, this could lead to a decline in demand for our development and manufacturing services. Such budgetary reductions by innovator pharmaceutical customers may result in lower revenues for our Company and could adversely affect our financial condition and results of operations. While a couple of our customers faced budgetary reductions, such budgetary reductions did not result in a material adverse impact on our financial condition and results of operations. Additionally, biotechnology companies operating in CMC sector often run a limited number of clinical programs due to the high costs associated with clinical trials. Furthermore, it is common for these biotechnology companies to sell or license their clinical-stage assets to innovator pharmaceutical companies. There is a risk that after acquisition, the innovator pharmaceutical company may choose not to use our services, thereby increasing the risk to our revenue from the unpredictable nature of biotechnology funding. While we have not encountered any such instances, which had a material adverse impact on our financials in the past three Financial Years, we cannot assure you that we will not be subject to risks, uncertainties and trends that affect our customers in these industries over which we have no control, but could adversely impact our business, financial standing, and operational results.

2. ***Our business may be adversely affected by a failure to develop or manufacture commercially viable drugs, including for reasons that are not within our control.***

We generate revenue from services related to small molecules throughout the drug discovery lifecycle, with R&D forming a crucial part of our business. Although we continuously engage in R&D, the nature of scientific research and development makes the successful R&D of pharmaceutical products technically challenging, costly, and time-consuming. Additionally, our R&D efforts may not always lead to the successful commercialization of new drugs, given that the success rate for developing a new drug from drug discovery to approval is extremely low, and can be lower than 0.01% (*Source: F&S Report*).

Furthermore, in the future, the USFDA, PMDA, COFEPRIS or other regulatory bodies may not approve small molecules, or global pharmaceutical innovators could alter their strategies for new drug discoveries, shifting their focus entirely to large molecules or biological medicinal products. In addition, we could be part of development or manufacturing of drugs which may be found to be ineffective, or may fail to achieve market acceptance or be precluded from commercialization by proprietary rights of third parties. Our customers may also find that certain processes developed for manufacture of APIs or other small molecules cannot be manufactured on a commercial scale and, therefore, may not be economically viable to produce. While we have not experienced material impact to our revenue due to loss of products that have been found ineffective, cause harmful side effects, failed to achieve market acceptance or be precluded from commercialization by proprietary rights of third parties in the past three Financial Years, we cannot assure you that such cases may not affect us in the future. Such unfavourable developments could materially and adversely impact our business, financial standing, and operational results.

3. ***We may not be able to continue to serve our customers if we fail to meet their standards in audits and inspections and this could significantly harm our reputation and result in the termination of ongoing projects by our customers.***

Our customers regularly audit and inspect our facilities, processes and practices to ensure that our services meet their standards in the process of discovery, testing, development and manufacturing of pharmaceuticals and cell and gene therapies and we are typically subject to stringent quality standards and specifications in this regard.

While we have not experienced material manufacturing or quality control issues of our products in the past three Financial Years, any such issues may render us in breach of various quality standards and specifications stipulated in our supply agreements with customers. The majority of our supply agreements stipulate that, 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. We typically grant customers 30 days to test the materials received from our Company and where analytical discrepancies arise between our Company's results and the customer's findings that cannot be resolved mutually, a third-party analyst is appointed, whose findings are deemed final. Most contracts obligate us to remake the materials and absorb any related costs, including rework when feasible. For commercial products, contracts may also include clauses stipulating that if our Company cannot supply a replacement, the customer may procure the product from an alternative vendor and charge the cost back to our Company. Our Company does not have control over the price charged by the alternative vendor. In the event that the alternative vendor imposes exorbitant charges, our cash flows and results of operations may be materially and adversely affected. While we have not been informed of any latent defects in the past three Financial Years by our customers for the products manufactured and supplied by us, our contracts do contain provisions for latent defects, which are flaws not detectable during initial testing. Most contracts impose a time frame of up to a 24-months for reporting latent defects, while some specify a limit up until the retest date for the material.

During the past three Financial Years, our manufacturing units were subject to more than 75 audits by our customers. We have not failed any of our customer audits or received any critical observations in the past three Financial Years, and we maintain an independent quality assurance system that evaluates the manufactured products ensuring compliance with customer specifications. However, they can be no assurance that in the future we may be able to pass such audits or inspections to our customers' satisfaction and this could significantly harm our reputation and result in the termination of ongoing projects by our customers, or result in claims from non-compliance with contractual obligations, which could materially and adversely affect our business, financial condition, results of operations and prospects.

4. ***We depend on our research and development activities generally for our future growth and our inability to achieve the desired outcomes in our research and development activities may result in customers opting to discontinue their partnerships with us.***

In the Financial Years 2024, 2023 and 2022, we added 31, 40, and 56 new products, respectively, in our portfolio on behalf of our customers. For further details regarding these products, please refer to "*Our Business — Strategies*" on page 163. Notwithstanding our commitment to R&D, there is no certainty of successful outcomes, and we face various challenges, such as adhering to regulatory and safety standards and developing a chemical or manufacturing process in line with customer expectations or budgets. We have also invested significant resources in our R&D facilities located in Hyderabad, India ("**Unit II Hyderabad Facility**"), Watertown (Greater Boston), United States ("**Greater Boston Facility**") and Manchester, United Kingdom ("**Manchester Facility**").

As of March 31, 2024, we employed 1,424 permanent R&D personnel. For further details on our R&D activities and facilities, see "*Our Business — Strengths— Modern R&D infrastructure with a differentiated delivery model and strong regulatory track record*" on page 161. Our ability to provide industry-standard R&D and manufacturing services is pivotal to maintaining our customer base. If our services or technology or compliance standards do not align with the expectations set by industry or customer benchmarks, there is a risk that customers may opt to discontinue their partnerships with us. While there was no material impact on our revenue as a result of our customers discontinuing their partnerships with us on the basis that our services or technology or compliance standards did not align with industry expectations or customer benchmarks in the past three Financial Years, we cannot assure you that such discontinuations will not happen in future and such occurrences may adversely affect our business, financial condition and results of operations.

5. ***We are subject to extensive government regulation, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, 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, governing the pharmaceutical market. We are required to comply with the regulatory requirements of various local, state, provincial and national regulatory authorities, such as the Drugs Controller General of India, Central Drugs Standard Control Organization, State Dugs Controller, Ministry of Chemicals and Fertilizers. We are also required to obtain and maintain certain statutory and regulatory permits and approvals primarily in India, generally for carrying out our business and for each of our manufacturing facilities. Such requisite licenses, permits and approvals include local land use permits, manufacturing permits, foreign trade-related permits, labour and employment-related permits, and environmental, health and safety permits. For further details of such permits, approvals and regulatory compliance, see "*Key Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 177 and 315, respectively.

Applicable regulations have become increasingly stringent, a trend which may continue in the future. The Government of India may implement new laws or other regulations and policies that could affect the industry in which we operate, which could lead to new compliance requirements, including requiring us to obtain additional approvals and licenses. Moreover, given our presence in several international markets, we are subject to additional risks related to complying with a wide variety of local laws, including restrictions on the import and export of certain intermediates, technologies and multiple and possibly overlapping tax structures. Consequently, there is an increased risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdown of our operations and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals. While we have not experienced any instances of failure to obtain or maintain required approvals, licenses, registrations or permissions or inadvertently fail to comply with such regulations that materially affected our business, financial condition or results of operations in the past three Financial Years, if we fail to do so in the future, in a timely manner or at all, our business, financial condition and results of operations could be adversely affected. Furthermore, the approvals required by our Company are granted for a limited duration, require renewal and are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Furthermore, obtaining new approvals, renewing expiring approvals and securing permissions for expansions are subject to numerous conditions, which we cannot assure you that we will satisfy.

Additionally, our manufacturing facilities undergo routine inspections by regulators such as the USFDA, PMDA, and COFEPRIS. Although we have previously addressed Form 483 observations from the USFDA successfully, the ongoing nature of regulatory scrutiny emphasizes the need for continuous improvement. Our recent USFDA audit in April 2024 of our Unit II Hyderabad Facility, resulted in one observation concerning our Laboratory Information Management System ("**LIMS**") and related verification processes, has been resolved. We also had another USFDA audit of our Unit IV Bidar Facility in June 2024, which resulted in one observation concerning our adherence to our standard operating procedures, which is currently being addressed. A failure to effectively resolve such issues or prevent new ones could escalate to more severe consequences, including warning letters or facility shutdowns, severely affecting our operations and financial health. While we have not received any warning letters or failed to receive approvals in the past three Financial Years, subsequent to inspections of our facilities by regulatory authorities in and outside India, if we fail to receive such approvals in the future, we may be subject to sanctions or fines by such regulatory authorities under applicable laws such as prohibitions on the sale of our drugs in the relevant jurisdiction or penalties for violations, among others.

6. ***Manufacturing interruptions or delays could affect our ability to meet customer demand and lead to higher costs.***

We operate a large manufacturing facility ("**Unit IV Bidar Facility**") in Bidar, India, which serves as our primary production site, a smaller intermediate facility ("**Unit III Bollaram Facility**") in Bollaram, India where we manufacture early-phase materials for a few products and a facility ("**Unit II Hyderabad Facility**") in Hyderabad, India which houses the pilot manufacturing facility. The table below sets forth our total production capacity for the years mentioned.

	For the Financial Year		
	2024	**2023**	**2022**
Total production capacity (in litres per day)	483,473	458,393	457,533

We also have three R&D facilities, namely, the Unit II Hyderabad Facility, the Greater Boston Facility and the Manchester Facility. We require various permits and approvals from governmental authorities to operate our manufacturing and R&D facilities. These governmental permissions are subject to the discretion of the issuing authorities and could be revoked or significantly modified at any time. Should a key permit or approval be revoked or substantially altered, we may be compelled to cease or alter operations at the affected facility, which could hinder our production capacity and delay deliveries to our customers.

In addition, our manufacturing process is primarily concentrated in one facility in Bidar, Karnataka. This concentration increases our vulnerability to any operational disruptions at any one of these sites. A localized event, such as a fire, natural disaster, equipment failure, or labour dispute, could result in prolonged interruptions to our manufacturing capabilities, which would adversely affect our ability to meet customer demand and lead to increased costs as we seek to mitigate the interruption through alternative means. While we have not experienced any interruptions to our manufacturing capabilities which had a material adverse impact on our financials in the past three Financial Years, we cannot assure you that such interruptions will not occur in the future, which could in turn adversely affect our financial performance, cash flow and related business aspects. Moreover, our facilities are subject to periodic inspections by regulatory authorities. Failure to comply with applicable regulations can result in fines, penalties, or a temporary shutdown of our manufacturing operations, which would adversely affect our business operations and financial condition. Furthermore, if our operations are disrupted, customers may choose to relocate their products from our facility. Should this occur, even if we resume normal operations, there is no guarantee that they will bring their products back. While we have not experienced revocation of key permits and/or approvals in the past three Financial Years and/or failure to comply with applicable regulations, we cannot assure you that such events will not occur in the future, which could in turn adversely affect our financial performance, cash flow, and related business aspects.

7. ***We are subject to risks associated with conducting business internationally, and any operational delays and/or additional financial burdens may affect our business and results of operations.***

We, our customers and a number of our suppliers are located, or have subsidiaries, globally. Accordingly, our future results, the future results of our customers and the ability of our suppliers to continue supporting our operations could be harmed by a variety of factors, including:

- differing regulatory requirements for the healthcare industry;

- changes in regulations and customs, tariffs, trade barriers, trade protection measures, import or export licensing requirements or other restrictive actions by governments;
- changes in currency exchange rates, currency controls, cross border taxation and limitations on the repatriation of earnings;
- changes in a specific country's or region's political or economic environment;
- obstacles to obtaining domestic and foreign export, import, and other government approvals, permits, and licenses;
- compliance with tax, employment, immigration and labour laws;
- difficulties associated with staffing and managing international operations;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities; and
- business interruptions resulting from geo-political actions, including war and terrorism, natural disasters including floods and fires, pandemics such as the recent COVID-19 pandemic and other epidemics. In particular, during the COVID-19 pandemic, drug discovery budgets were reduced as efforts shifted towards the development of COVID-19 vaccines, leading to decreased business opportunities for our Company. This shift had a significant impact on the financial condition for our business in Financial Year 2022.

Save as disclosed above for Financial Year 2022, we have not experienced any such events and/or interruptions, which had a material adverse impact on our financials in the past three Financial Years. If any such events were to occur, our operations could face operational delays and additional financial burdens, which may materially and adversely affect our business 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. We may also face difficulties in integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. If we do not effectively manage our international operations and the operations of our overseas subsidiaries, it may affect our profitability from such countries, which may adversely affect our business, financial condition and results of operations.

8. ***The potential loss of major customers or any of our large contracts could materially and adversely affect our business, financial condition and results of operations.***

We cannot assure you that we will be able to maintain or strengthen our relationships with our key customers, or that our key customers will continue to place large work orders with us. If there is any significant cutback in spending for our outsourcing services by our key customers due to industry consolidation, deterioration of their financial condition, research and development budget cuts, pending regulatory approvals or other reasons and we are unable to obtain suitable work orders of a comparable size and terms in substitution, our business, financial condition and results of operations may be materially and adversely affected. In addition, any deterioration in our key customers' ability to settle their trade receivables in a timely manner or a reduction in demand due to destocking resulting in a delay in completion of contracts will have a material adverse effect on our results of operations.

Specifically with respect to our Discovery business vertical, while our revenue is not contingent upon the completion of specific milestones, our performance is determined by our productivity which is measured in terms of the quantity and quality of our output. On the other hand, with respect to our CMC business vertical, revenue is tied to the successful completion of pre-agreed specifications with our customers, which is recognised based on the percentage of completion method. Our failure to achieve such desired quantity or quality in timely manner for our Discovery business customers or pre-agreed specifications required by our CMC business customers, may negatively impact our financial condition and results of operations.

The table below sets forth the proportion of our largest, top five and top 10 customers, in terms of our revenue from operations, for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***
Our largest customer	1,399.57	9.55	1,260.28	10.35	941.72	10.83
Our top five customers	4,567.37	31.17	3,457.63	28.41	2,423.21	27.87
Our top 10 customers	6,777.39	46.26	4,892.09	40.19	3,785.25	43.53

The table below sets forth the average duration of our contracts with our top customer, top five customers and top ten customers as at the date of this Draft Red Herring Prospectus.

	Top Customer	**Top Five Customers**	**Top Ten Customers**
Average duration of our relationship with our customers (rounded up to the nearest whole number) (*years*)	18	10	11

While we have lost a few biotech customers, including the loss of our biggest customer (in terms of revenue from operations) to whom we provided Discovery services in Financial Year 2024, due to loss of funding available to the customers, which resulted in cumulative impact of ₹220 million on our total revenue in Financial Year 2024, there can be no assurance that we would not lose additional major customers in the future.

9. ***We conduct animal testing, which can result in adverse publicity liability and other issues, including potential disruption to our facilities as a result of protests against animal testing.***

As of the date of this Draft Red Herring Prospectus, the scope of our animal testing is restricted to rats and mice. However, we may expand the scope our animal testing to other primates in future. Our animal testing is conducted in compliance with our internal policies and applicable laws and regulations in the jurisdictions (including but not limited to the Prevention of Cruelty to Animals Act, 1960, the guidelines under the Committee for the Purpose of Control and Supervision of Experiments on Animals issued by the Government of India, Association for Assessment and Accreditation of Laboratory Animal Care ("**AAALAC**") International's Rules of Accreditation and the certifications under the Office of Laboratory Animal Welfare) in which these activities are conducted.

Any acts of vandalism and other acts by animal rights activists, who object to the use of animals for such purposes, including protests at or near our facilities or offices in the future, could have an adverse effect on our operations or reputation. We may also suffer from reputational loss if animal testing institutions or the act of using animal testing are disapproved by the public. While we have not experienced any such protests and/or disapproval from the public in the past three Financial Years, any negative attention or threats directed against our animal research activities in the future could impair our ability to operate our business efficiently. As a result, our financial condition and results of operations may be materially and adversely affected.

10. ***There have been instances in the past where we have not made certain regulatory filings with the RoC or there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.***

We manage regulatory compliance by monitoring and evaluating our internal controls, and ensuring that we are in compliances with all relevant statutory and regulatory requirements. There can be no assurance that deficiencies in our filings will not arise in future, or that we will be able to implement, or continue to maintain, adequate measures to rectify or mitigate any deficiencies in our internal control. Any inability on our part to adequately detect, rectify any deficiencies in our internal controls may adversely impact our ability to accurately report, or successfully manage, our financial risks and to avoid frauds. As we continue to grow, there can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

Our Company had, *suo moto*, filed three separate compounding applications before the RoC for: (a) failure to file Form No. 23 for the resolutions approving further issue and allotment of 207,900 equity shares of ₹10 by the Shareholders on January 15, 2001 and 28,900 equity shares of face value of ₹ 10 each by the Shareholders on September 4, 2001, (b) failure to file Form MGT-14 for the special resolution approving Scheme of Arrangement by the Shareholders on November 16, 2019, and (c) correction in the list of allottees in four of the Form No. 2 filed for the allotments made on August 16, 2002, May 30, 2003, October 21, 2004 and June 22, 2006. For further details, please see "*Outstanding litigation and material developments – Litigation involving our Company*" on page 307. While we have taken steps to rectify these non-compliances, there can be no assurance that we will receive favourable orders in these compounding applications and even after receiving favourable orders, we may be subject to penalties for such past non-compliances.

For certain allotments made to non-resident allottees, while our Company has made the relevant form filings with RBI, we have been unable to trace an acknowledgement from the RBI in relation to filing of one Form FC GPR. While our Company has sought certain of these documents from RBI, there can be no assurance that we will receive a response in a timely manner or at all. Further, our Company has not been able to trace the relevant share transfer forms for transfer of 20,000 Equity Shares each from D. S. Laxmi and D. S. N. Raju to Sai Quest Syn Private Limited.

While no legal proceedings or regulatory action has been initiated against our Company, in relation to such unavailable records as of the date of this Draft Red Herring Prospectus, we cannot assure you that such proceedings or regulatory actions will not be initiated against us in the future. Further, we cannot assure you that such lapses will not occur in the future and that we will not be subject to further penalties or other regulatory action.

11. ***We depend on a stable and adequate supply of quality raw materials from our suppliers (including international suppliers), and price increases or interruptions of such supply could have an adverse impact on our business.***

Our competitiveness, costs and profitability depend, in part, on our ability to source and maintain a stable and sufficient supply of critical raw materials, including regents and solvents. Typically, we do not engage in long-term supply contracts with our raw material suppliers, opting instead to source materials from third-party suppliers or the open market, based either on the production plan or customer orders. For commercial supplies, our contracts with suppliers do not include clauses that guarantee a minimum purchase amount. However, these agreements generally include non-binding forecasts for purchase quantities over a period of 12 to 18 months, with the forecasts for the initial months being binding on us. The terms and conditions concerning product quality and the return policy are specified in the purchase orders.

The table below sets out raw material purchases from our top three suppliers and our top ten suppliers, including as a percentage of our cost of material, chemicals and reagents consumed, for the years mentioned.

	For the Financial Year					
	2024		2023		2022	
	(₹ in millions)	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***
Purchases of raw materials from our three largest suppliers	483.77	11.43	615.91	14.42	586.69	21.76
Purchases of raw materials from our ten largest suppliers	1,057.97	24.99	1,313.59	30.75	1,109.50	41.15

The price and availability of such raw materials also depend on several factors beyond our control, including geopolitical situations, overall economic conditions, foreign exchange rate, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade and regulatory restrictions. In the event of significant price increases for raw materials, we cannot assure you that we will be able to raise the prices of our services sufficiently to cover the increased costs or retain the same margin profile. 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. We plan to source for alternative suppliers if disruptions in the supply of raw materials occur and work on a continuous basis on alternate vendor development for commercial products, in addition to manufacturing certain key starting materials in-house.

In the past three Financial Years, while we have not experienced any material disruptions or reductions in the supply of our raw materials and the manufacturing capabilities of our third party suppliers, our inability to continue to obtain the raw materials and finished products that we require could lead to the slowdown or shut-down of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, financial condition, results of operations and cash flows. However, the ongoing geopolitical tensions, such as the ongoing conflict in the Middle East, the ongoing conflict between Russia and Ukraine and trade tension between the United States and China, could potentially impact freight costs, raw material and solvent costs, and delivery timelines. The geopolitical environment remains a variable that requires careful monitoring, as it has the potential to significantly affect our operating costs and supply chain efficacy.

Particularly, we are also dependent on our imports of raw materials from China. The table below sets forth the amount of raw materials we imported for the years indicated.

	For the Financial Year					
	2024		2023		2022	
	(₹ in millions)	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***
Cost of materials imported						
From countries other than China	810.58	19.15	915.08	21.42	648.50	24.06
From China	1,174.86	27.75	1,261.58	29.53	887.01	32.90
Total cost of materials imported	**1,985.44**	**46.90**	**2,176.66**	**50.95**	**1,535.52**	**56.96**
Cost of material, chemicals and reagents consumed	**4,232.97**	**100.00**	**4,271.75**	**100.00**	**2,695.91**	**100.00**

We cannot assure you that we will be able to continue to obtain these raw materials 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.

12. ***We have incurred losses in past periods and may continue to do so in the future, which may adversely impact our business and the value of the Equity Shares.***

Our subsidiary Sai Life Sciences Inc. in the United States has incurred losses for the year ended March 31, 2024, and we may incur losses in the future. Our total expenses exceeded our total income during the year ended March 31, 2024. This was primarily on account of higher operating expenditure to ensure the long-term growth of our business and depreciation on certain initial capital expenditure.

Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. Going forward, we expect our expenses towards, amongst others, employee costs, to increase, which could adversely impact our financial condition. For a discussion of the significant factors affecting our results of operations and a discussion of the performance for the year ended March 31, 2024, see "*Management's Discussion and Analysis of Financial Position and Results of Operations — Quantitative and Qualitative Disclosure about Market Risk*" on page 300. If we continue to incur losses, our business and the value of the Equity Shares could be adversely affected.

13. ***Our inability to safeguard the trade secrets, sensitive information and other business information of our customers and partners may have an adverse effect on our business.***

As part of our business both within the Discovery and CMC business services, our Company receives, processes, stores and transmits sensitive information regarding its customers' and partners' businesses, including trade secrets and other business information. The security, confidentiality and integrity of the trade secrets and business information that are processed and stored by our Company are critical not only to the successful operation of our Company's business, but also our Company's compliance with customers and partners, where such breaches potentially could subject our Company to liability or reputational damage. For example, in 2022, one of our customers had raised a query on the usage of anonymized data relating to the customer as part of our capability presentation. This matter was discussed and resolved amicably, and the customer has expressed interest to continue working with us in the future. However, any such occurrences in the future resulting in our failure to safeguard our customers' and partners' trade secrets, sensitive information and other business information, including as a result of breaches or unauthorised accesses could compromise or result in tampering with, or theft or publication of, sensitive information related to our Company's business, expose us to liability, including unlimited liability under some of the confidentiality agreements we have entered into, result in the deletion or modification of data and may also materially dilute the value of such information.

Furthermore, while we maintain adequate security, backup and recovery systems and procedures, we cannot assure you that cyber security breaches, internal security breaches, physical security breaches or other unauthorised or accidental access to our Company's servers and other information systems or databases can be prevented and if they occur, they could result in tampering with, disruption to, or the theft or publication of, sensitive information or the deletion or modification of records held either in our Company's systems or the systems of others to which our Company has access.

14. ***We face the risk of losing revenue from products supplied to innovator pharmaceutical companies after the expiry of their patent protection period.***

Almost all of our manufacturing revenue is currently derived from products that are supplied to innovator pharmaceutical companies. The table below sets forth the proportion of our manufacturing revenue which is derived from products that are supplied to innovator pharmaceutical companies for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from contract development and manufacturing***	***(₹ in millions)***	***% of revenue from contract development and manufacturing***	***(₹ in millions)***	***% of revenue from contract development and manufacturing***
Manufacturing revenue derived from supplies to innovator pharmaceutical companies	9,362.79	96.37	7,073.41	96.92	5,353.54	89.92

Innovator pharmaceutical companies' products are protected by patents for a limited period of time. As patents expire, there is a risk that our customers may discontinue these products or lose market share due to increased generic competition. The resulting decline in demand for these products could lead to a significant loss of revenue for us, adversely affecting our business, financial position, and operational performance.

Given the lengthy and uncertain process of pharmaceutical development, there is no assurance that we will be able to add new products into our revenue pipeline that will successfully reach the market in time to offset the expected decline in revenue from expiring patents. This risk underscores the need for our ongoing efforts to expand and diversify our commercial product portfolio to sustain our financial health and operational performance.

15. ***If we inadvertently infringe on the patents or intellectual property rights of others, we may be subjected to legal action and our business and reputation may be adversely affected.***

Under most of our long-term service agreements and project-based service contracts, we have agreed to indemnify the customer for intellectual property infringement claims arising out of our infringement of a third party's intellectual property. Our liability is usually capped under the service contract or work order except for losses arising from breach of confidentiality obligations or from our gross negligence or wilful misconduct. We bear unlimited liability for any gross negligence on our part and any breach of confidentiality obligations under our service agreements. As a result, if any aspect of a deliverable to a customer that we create infringes a third party's intellectual property rights due to our gross negligence, and particularly if such deliverable ultimately becomes a commercially successful product, we could be exposed to substantial liability. While we strive to operate with the utmost diligence, there has been an instance where an infringement query was raised against us in 2022. However, this matter was addressed promptly and resolved satisfactorily with the customer expressing its intention to continue working with us in the future. If a patent litigation is instituted against us, it is not possible to predict the outcome of and any adverse result of such litigation could include an injunction preventing us from undertaking our business activities or payment of significant damages or royalties, which would affect our ability to sell current or future products. Such incidents may raise potential risks inherent in our business activities and the possible repercussions on our reputation, business, financial condition, and results of operations should a similar incident arise in the future. While we have not been subject to any material intellectual property infringement claims in the past three Financial Years, any such claims, if raised against us, regardless of the merits or eventual outcome, would be costly and time consuming and could have a material adverse impact on our reputation, business, financial condition and results of operations.

16. ***Fluctuations in exchange rates may result in foreign exchange losses and adversely impact our profitability.***

Changes in the currency exchange rate influence our results of operations. Although our reporting currency is Indian Rupees, we transact a significant portion of our business in several other currencies, primarily in U.S. dollars.

The table below sets out the revenue which we generated from exports (external customers outside India), including as a percentage of our revenue from operations, for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***
Revenue from external customers (outside India)	14,386.02	98.19	11,761.92	96.64	8,009.75	92.11

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 U.S. dollars. For more information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on page 276. We are therefore exposed to exchange rate fluctuations. The table below sets out our net foreign exchange gain for the years mentioned.

	For the Financial Year		
	2024	**2023**	**2022**
Foreign exchange gain (net) (₹ million)	146.26	173.02	97.84

For further details, see "*Management's Discussion and Analysis of Financial Position and Results of Operations — Quantitative and Qualitative Disclosure about Market Risk*" on page 284. While we have a hedging policy approved by the Board in place, we cannot assure you that we will be able to sufficiently hedge against all future foreign exchange fluctuations. For details on our hedging policy, see "*Management's Discussion and Analysis of Financial Position and Results of Operations — Quantitative and Qualitative Disclosure about Market Risk*" on page 300. Our inability to do so may adversely affect our business, financial condition, results of operations and cash flows.

17. ***Under-utilization of our manufacturing capacities and an inability to expand our manufacturing capacities could have an adverse effect on our business, future prospects and future financial performance.***

Our Company operates in the CRDMO industry, where accurately projecting the right capacity needs in accordance with future demands for R&D and manufacturing services is critical to our financial performance and operational efficiency. Our ability to remain competitive and financially healthy hinges on making substantial investments in our facilities, technology, and workforce ahead of the actual awarding of business by our customers while maintaining high-capacity utilization.

We determine our capacity based on projected and expected demand, which is inherently uncertain and may fluctuate due to a variety of factors beyond our control, including changes in market trends, regulatory environment, customer preferences, and the competitive landscape. While we seek to accurately forecast the demand for our products and, accordingly, plan production volumes, if our projections are significantly higher than the actual demand, we may face excess capacity, resulting in underutilized resources, surplus stock, increased fixed costs per unit of output, and ultimately, a negative impact on our financial results. Conversely, if the actual demand exceeds our projections and available capacity, we may be unable to meet our customers' requirements in a timely manner or might incur additional costs to increase our capacity on short notice. For further details on the capacity of our facilities, see "*Our Business — Facilities and Approvals*" on page 168. This could lead to strained customer relationships, potential loss of business, and reputational damage, which could also adversely affect our financial performance.

Moreover, our plant capacities are designed to accommodate multiple products, with reactors and downstream equipment constructed flexibly based on certain assumptions regarding volume, materials of construction, and other factors. It is possible that, although we have available capacity at the plant, this capacity may not be suitable for the specific mix of products that need to be produced. This mismatch could result in an inability to meet customer requirements or necessitate additional capital expenditure to adapt to the products at hand, which could negatively impact our financial results.

The table below sets out our overall capacity utilization for the years mentioned.

	For the Financial Year		
	2024	**2023**	**2022**
Overall capacity utilization (%)	69.25	69.69	45.47

In particular, during the COVID-19 pandemic, drug discovery budgets were reduced as efforts shifted towards the development of COVID-19 vaccines, leading to decreased business opportunities for us and our manufacturing capacity utilization was down by 21% for the Financial Year 2022. Furthermore, for Financial Years 2024, 2023 and 2022, our profit after tax was ₹828.09 million, ₹99.89 million and ₹62.26 million, respectively, representing a CAGR of 264.70% from Financial Year 2022 to Financial Year 2024. One of the reasons for this significant growth is a lower base of calculation for Financial Year 2022, which was affected due to the COVID-19 pandemic. The recent financial performance in terms of percentage increase should not be seen as indicative of future results. The recent financial performance in terms of percentage increase should not be seen as indicative of future results. For further information, see "*Management's Discussion and Analysis of Financial Position and Results of Operations — Quantitative and Qualitative Disclosure about Market Risk*" on page 300.

Additionally, we are in the process of expanding our R&D and manufacturing capacities. The success of any capacity expansion and expected return on investment on capital invested is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise and utilize the expanded capacities as anticipated. We cannot assure you that we will be able to successfully implement our business expansion plans and growth strategies. If any of the aforementioned risks materialize, our business, financial condition and results of operations may be adversely affected.

18. ***Outsourcing certain development steps to other outsourcing service providers may expose us to potential risks and liabilities.***

From time to time, we may outsource certain chemical development or manufacturing steps to other outsourcing service providers during the ordinary course of our business. The nature of tasks which we may outsource to other outsourcing service providers vary from project to project, and we may require our customers' prior approval before we are able to do so. We cannot assure you that we will not continue to outsource certain development steps to other outsourcing service providers in the future even though we are actively building up our manufacturing capacities. Outsourcing to other service providers may subject us to potential risks and liabilities. Our outsourcing partners may face challenges or interruptions in their operations due to various factors that are beyond our control, including but not limited to labour disputes, raw material shortages and equipment failures. Such disruptions may result in delays or compromises to the projects. Failure on their part to meet deadlines, maintain product quality or comply with regulatory standards can affect our ability to fulfil our service obligations to our customers, which may harm our reputation and relationships with customers. Moreover, when any development processes are outsourced to a third party, we retain responsibility towards the end customer. Consequently, the potential liabilities to the customer could be substantially greater than what we can recoup from the outsourcing service providers. Additionally, any negligent or wilful misconduct by our outsourcing partners may expose us to potential liabilities. While we have not been exposed to such risks and liabilities which had a material adverse impact on our financials in the past three Financial Years, we may seek indemnities from these partners in the event that we are exposed to these liabilities in the future. Any such attempt can be costly, and any indemnities obtained could be time-consuming and may not fully cover our losses.

19. ***Our ability to attract and retain management and other employees, including scientific staff who are critical to our continued success and the loss of any such personnel or our inability to recruit additional qualified personnel could adversely affect our business.***

Our performance depends largely on the efforts and abilities of our Promoters, Senior Management Personnel and Key Managerial Personnel, which are valuable for our Company's growth and strategic direction. For further details, see "*Our Management*" beginning on page 190. In particular, the industry experience, management expertise and contributions of our Promoters, members of our Senior Management Personnel, including Kanumuri Ranga Raju (our Chairman) and Krishna Kanumuri (our Managing Director and CEO), are crucial to our success. If we lose the services of any member of our Senior Management Personnel and Key Managerial Personnel, we may be unable to recruit a suitable or qualified replacement and may incur additional expense to recruit and train new personnel, which could disrupt our business and growth. Apart from the departure of one Key Managerial Personnel and one Senior Managerial Personnel based on mutual agreement, we have not experienced any loss of our key employees in the past three Financial Years. As at the date of this Draft Red Herring Prospectus, we do not maintain any insurance to insure against the loss of our key personnel.

We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. Furthermore, our Senior Management Personnel and Key Managerial Personnel are employed pursuant to customary employment agreements, which may not provide adequate incentive for them to remain with us or adequately protect us in the event of their departure or otherwise to ensure that our business, results of operations and financial condition are not affected. We cannot assure you that we will be able to recruit and retain qualified and capable employees or find adequate replacements in a timely manner.

The table below sets forth the attrition level for our Senior Management Personnel and Key Managerial Personnel and the total number of our employees for the years mentioned.

	For the Financial Year		
	2024	2023	2022
Attrition level for our Senior Management Personnel and Key Managerial Personnel	Nil	Nil	2
Attrition level for our Senior Management Personnel and Key Managerial Personnel (%)	Nil	Nil	18.18
Attrition level for our employees (%)	24.70	39.21	29.12

Our success also depends, to a significant extent, on our team of scientists and other technical personnel and their ability to deliver high-quality and timely services to our customers and keep abreast of cutting-edge technologies and developments in pharmaceutical market. As of March 31, 2024, the majority of our scientific team held advanced degrees, such as PhDs, master's degrees and bachelor's in biotechnology and chemical engineering. We compete with pharmaceutical and biotechnology companies, other CDMO companies and research and academic institutions for qualified and experienced scientists and other technical personnel. As a result, such scientists are well-sought after by our competitors and we may face challenges in attracting and retaining skilled scientists and other technical personnel. We may not be able to hire and retain sufficient skilled and experienced scientists or other technical personnel at our current level of compensation. We may also be required to increase our levels of employee compensation more rapidly than in the past three Financial Years to remain competitive in attracting and retaining employees that our business requires. Our operations are labour intensive, and we may be subject to strikes, work stoppages or increased wage demands by our employees, which could adversely affect our business, results of operations and financial condition. As of the date of this Draft Red Herring Prospectus, the Company has no labour unions and has in place business succession plans for the key personnel of the Company.

The table below sets forth our employee benefits expense, including as a percentage of our total expenses, for the years mentioned.

	For the Financial Year					
	2024		2023		2022	
	(₹ in millions)	***% of total expenses***	***(₹ in millions)***	***% of total expenses***	***(₹ in millions)***	***% of total expenses***
Employee benefits expense	4,949.05	35.73	4,172.86	33.96	3,089.70	34.79

Furthermore, 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. For details in relation to changes in our Key Managerial Personnel, please see "*Our Management — Changes in Key Managerial Personnel and Senior Management Personnel*" on page 203. Furthermore, we may require a long period of time to hire and train replacement personnel. Any inability to attract, motivate, train professionals to keep pace with changes in customer needs and technological and regulatory standards or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

20. ***Our inability to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations, financial condition and cash flows.***

Our growth strategies include expanding our facilities and our capacity for discovery, development and manufacturing of pharmaceuticals to meet our customers' needs, broadening the breadth of our integrated services and pursuing strategic acquisitions if necessary. For more information, please see "*Business —Strategies*" on page 163.

The table below sets forth our total revenue from operations for the years indicated.

	For the Financial Year		
	2024	2023	2022
Revenue from operations (₹ in millions)	14,651.78	12,171.39	8,695.93

Our total revenue from operations grew at a compound annual growth rate of approximately 29.80% from Financial Year 2022 to Financial Year 2024. Pursuing our growth strategies has resulted in, and will continue to result in, substantial demands on capital and other resources. In addition, managing our growth and executing on our growth strategies will require, among other things, our ability to continue to innovate and acquire new businesses in the highly competitive global drug outsourcing services market, effective coordination and integration of our facilities and teams across different sites, maintaining and enhancing both, our technology systems and personnel at reasonable cost, effective cost control, sufficient liquidity, effective and efficient financial and management control, increased marketing and customer support activities, effective quality control, and management of our suppliers to leverage our purchasing power. Furthermore, the success of our business expansion also depends on our customers' success in advancing drug candidates through development, regulatory approval and commercial manufacturing. Any delay in regulatory approvals, lower than anticipated treatment effectiveness, unexpected side effect, low success rate or lack of patient demand may have a material impact on our business even if we deliver our services to the satisfaction of our customers. If our growth strategy or business expansion is not successful or sufficient or does not earn a satisfactory return on investment or realize our anticipated growth strategy, our business, financial condition, results of operations and prospects could be materially and adversely affected.

21. ***We have significant working capital requirements. If we experience insufficient cash flows to fund our working capital requirements and if we are not able to provide collateral to obtain letters of credit and bank guarantees in sufficient quantities, there may be an adverse effect on our business, financial condition, results of operations and cash flows.***

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. The table below sets forth our working capital days and our trade payables turnover ratio for the years indicated.

	For the Financial Year		
	2024	**2023**	**2022**
Working capital loans from banks (₹ in millions)	3,436.96	3,555.95	3,702.64
Sanction Limit of working capital available to be deployed (₹ in millions)	5,500.00	3,750.00	3,900
Net Working Capital Days*	122 days	140 days	204 days
Trade Payables Turnover Ratio**	3.12 times	3.19 times	2.89 times

Notes:
** Net working capital divided by revenue from operations and multiplied by 365 days. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings , lease liability and provision for gratuity and compensated absences).*
*** Aggregate of Purchases of materials and other expenses divided by average trade payables.*

Our working capital requirements may change if the payment terms in our agreements include reduced advance payments or longer payment schedules. Factors including unforeseen delays in completion of contracts including customer-initiated delivery delays due to de-stocking, under-pricing of contracts, 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 current 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. As our borrowing requirements are largely for working capital purposes which are short-term needs, our level of current borrowings may be greater than the level of our non-current borrowings from time to time. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and this may have a significant effect on our profitability and cash flows. We may also become subject to additional restrictive covenants in our financing agreements, which could limit our ability to access cash flows from operations, financial markets and undertake certain types of transactions.

In addition, our cost and availability of funds is dependent on our credit ratings. The table below sets forth the details of our last three credit ratings for debt instruments.

	Type of Instrument	**May 2024**	**February 2023**	**December 2021**
India Ratings and Research	Term Loan	IND A+/Stable	IND A/Stable	IND A+/Stable
	Fund-based working capital limits	IND A+/Stable/IND A1+	IND A/Stable	IND A+/Stable
	Non-fund-based working capital limits	IND A1+	IND A1	IND A1

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. For further information on the risks associated with credit ratings, see risk factor, "*A downgrade in credit ratings of India may affect the trading price of the Equity Shares*." on page 47. If we do incur debt in the future, our interest and debt repayment obligations will increase, and our ability to obtain financing on favourable terms, if at all, will depend on various factors and we may be subject to restrictive covenants in our financing agreements, which may adversely affect our profitability and cash flows. See *"— Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, results of operations and cash flows.*" on page 40.

22. ***Pricing pressure from customers may affect our gross margin, profitability and ability to increase our prices, which in turn may materially adversely affect our business, results of operations and financial condition.***

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. Pricing pressure from our customers may also manifest in various forms including, among others, through our competitors lowering their prices for similar products or services. Significant portion of our revenue comes from fixed price contracts which are estimated based on the technical data presented by our customers. It is possible that our assumptions on time and costs may prove to be incorrect leading to cost overruns and we may not be able to recover all or part of such cost overruns. In addition, we derive a significant portion of our revenues from a limited number of customers. In light of pricing pressures and the aforementioned risks of cost overruns and unapproved change orders, we cannot assure you that we will be able to price our contracts with customers on terms or margins favourable to us. In response to pricing pressures, we may 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 as well as tight project management to avoid unexpected cost escalations.

We cannot assure you that we will be able to avoid and mitigate future pricing pressure from our customers, or offset the impact of any price reductions through continued technological improvements, improved operational efficiencies, cost-effective sourcing alternatives, new manufacturing processes or other cost reductions through productivity initiatives, as well as control project-related expenditures within budgeted thresholds. If we were to face pricing pressure from our customers, and the aforementioned measures or other steps we take fail to maintain or increase our margins and revenues from product sales, our business, financial condition and results of operations may be adversely affected.

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

We are subject to credit risk through our trade receivables and other receivables due from our customers. By their nature, trade receivables involve risks, including the credit risk of non-performance by counterparties and significant delays in receiving payments or non-receipt of payments and delay or non-performance of obligations arising from contract assets (unbilled contracts), which may adversely affect our cash flows and results of operations. The failure of any of our customers to make timely payments could require us to write off trade receivable or increase provisions made against our trade receivable.

The table below sets forth our trade receivables, provision towards doubtful trade receivables and bad debts written off (net of recoveries) for the years mentioned.

	For the Financial Year		
	2024	2023	2022
Trade receivables (₹ millions)	2,561.84	2,840.51	2,429.04
Provision towards doubtful trade receivables (₹ millions)	15.90	11.52	53.73
Bad debts written off (net of recoveries) (₹ millions)	62.04	67.96	7.43

For details on our trade receivables, see "*Summary of Financial Information – Summary of Restated Consolidated Statements of Assets and Liabilities*" on page 56. If any of our customers' cash flow, working capital, financial condition or results of operations deteriorates, it may be unable, or it may otherwise be unwilling, to pay trade receivables owed to us promptly or at all. In particular, a material portion of our receivables' exposure is tied to biotechnology companies. These entities, particularly smaller or early-stage biotechnology firms, may face financial challenges, including the risk of running out of funding. This exposure to the biotechnology sector could lead to situations where such companies might become unable or unwilling to settle trade receivables owed to us, despite our careful credit assessments and ongoing monitoring of their financial status. For example, we lost a few biotech customers, including the loss of our biggest customer (in terms of revenue from operations) to whom we provided Discovery services in Financial Year 2024, due to loss of funding available to the customers, which resulted in cumulative impact of ₹220 million on our total revenue in Financial Year 2024. Any substantial default or delay of a customer's payment obligations may materially and adversely affect our working capital, financial condition and results of operations. Timely collection of dues from customers also depends on our ability to complete our contractual commitments and subsequently bill for and collect from our customers. If we are unable to meet our contractual obligations, we may experience delays in the collection of, or be unable to collect, our customer balances, which could adversely affect our results of operations and cash flows.

24. ***We rely on advanced information and communication systems to run our operations and are exposed to the risks generally associated with such information and communications systems.***

We rely extensively on the capacity and reliability of the information technology systems, processing and quality assurance systems that support our operations, such as automation of production and quality systems. For further details, see "*Our Business — Our Services - Technology*" on page 172. Although we have not experienced a major disruption in our manufacturing operations due to failure of such systems in the past three Financial Years, we cannot assure you that we will not encounter disruptions in the future. We maintain policies for data back up and disaster recovery, including our Commvault Metallic backup solution. We also conduct data restoration drills and mandatory cyber security trainings for our employees regularly. Our Unit II Hyderabad Facility, Unit IV Bidar Facility and Manchester Facility also have ISO 27001:2013 information security management system certifications. Nonetheless, there is the risk of lapses in regulatory filings and the inability to maintain records adequately due to system failures or human error, which could lead to (a) regulatory penalties and affect our compliance status and/or (b) delay in the execution of our customers' projects. 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 such as ransomware attacks and phishing attacks, 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. To protect the integrity of our data, we have implemented firewalls to secure our internet connectivity and cyber exposure management platform that managers our Company's cyber risk exposure in real time. Although we have implemented necessary cyber policies, have appropriate security controls in place and have not experienced material data security and confidentiality breaches in the past three Financial Years, there can be no assurances that we will be able to effectively handle a failure of our information systems or safeguard against lapses in the management of regulatory documentation, or that we will be able to restore our operational capacity in a timely manner to avoid disruptions to our business.

25. ***Reforms in the healthcare industry in India and other countries which we operate in, and the uncertainty associated with pharmaceutical pricing and reimbursement could adversely affect the pricing and demand for our products.***

The healthcare industry is subject to changing political, economic, and regulatory reforms that may also affect the CRDMO industry. From time to time, various national and transnational governmental and regulatory bodies, including the U.S. Congress, the European Commission, the Council of the EU and the European Parliament, adopt changes to the statutes that govern the agencies that oversee or regulate the industries in which we operate, including the USFDA, the EMA and the PMDA. In addition, the USFDA, the EMA and the PMDA, among others, often issue new regulations or guidance, or revise or reinterpret their current regulations and guidance in ways that may significantly affect our business. Furthermore, governmental agencies throughout the world, including in the U.S., strictly regulate the drug development process. For example, the recent legislative changes, such as those introduced by the Inflation Reduction Act ("**IRA**") encompasses a range of reforms that are intended to reduce prescription drug costs. These reforms could necessitate significant adjustments to our pricing strategies and may lead to narrower profit margins. One expected outcome of the IRA is the establishment of price controls on a selection of drugs. This could have a consequential effect on the research and development of new therapies, potentially diminishing the broader scope of R&D efforts for novel drugs and subsequently reducing the prospects for outsourcing in this sector.

An increase in regulations that we have difficulty satisfying or changes in regulation, including even a relaxation in regulatory requirements or the introduction of simplified drug approval procedures, could not only make our services less competitive, but could also potentially eliminate or substantially reduce the demand for certain of our services, technologies or offerings.

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

We are subject to environmental, health and safety, and labour laws. Environmental laws and regulations impose controls on air and water discharge, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Risks for fire and safety due to the use of hazardous materials or highly flammable chemicals are inherent in our industry, and we have implemented stringent safety protocols to manage these risks. Our facilities have the following health and safety certifications:

Facility	Certifications
Unit II Hyderabad Facility	ISO 14001:2015 (Environment Management Systems) and ISO 45001:2018 (Occupational Health and Safety).
Unit IV Bidar Facility	ISO 14001:2015 (Environment Management Systems), ISO 45001:2018 (Occupational Health and Safety) and ISO 50001:2018 (Energy Management)

We are also the Pharmaceutical Supply Chain Initiative's ("**PSCI**") first member headquartered in India since 2020 and received silver rating in sustainability by EcoVadis, a global provider of business sustainability ratings, in 2023. We are also subject to labour laws and regulations, such as minimum wage and maximum working hours, overtime, working conditions and work permits, in the countries which we operate in, including India, the US and the UK. Any changes in the labour laws and regulations in these countries may affect our business operations. For example, 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*" beginning on page 177.

Compliance with health and safety laws and regulations can require significant expenditures which can restrict our ability to expand our facilities or require us to acquire costly environmental or safety control equipment, incur other significant expenses, or modify our manufacturing processes and a breach may result in the limitation or suspension of manufacturing or subject us to material monetary fines and penalties, civil or criminal sanctions, or other liabilities. In the past three Financial Years, we have not experienced any material health or safety incidents at our manufacturing sites. However, there can be no assurance that we will be able to resolve any further issues in a timely manner or that future incidents will not require significant remediation.

Furthermore, environmental laws may expose us to liability for the conduct of or conditions caused by others, and some environmental laws provide for joint and several strict liability for releases of hazardous substances into the environment, which is particularly relevant given the flammable and potentially hazardous nature of the chemicals we handle. This could result in liability for environmental damage without regard to negligence or fault and may cause us to be liable to regulatory bodies or third parties, which could have a material adverse effect on our business, financial condition and results of operations. In addition, we may be required to incur costs to remedy the damages caused, pay fines or incur other penalties for non-compliance. Any of the foregoing could subject us to litigation, which could adversely affect our reputation and lower our profits in the event that we were found liable.

In addition, changes in laws and regulations, which could be unclear or inconsistent in certain markets, may impose additional compliance requirements and affect our ability to operate the business in a profitable manner. 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.

27. ***Inconsistencies in data periods presented in this Draft Red Herring Prospectus for disclosure may affect the comparability and consistency of the data, leading to potential challenges in accurately assessing our results of operations.***

Investors are advised to exercise caution when evaluating our performance, as some of the data presented in this Draft Red Herring Prospectus are based on analyses over different time periods. Specifically, certain disclosure in this Draft Red Herring Prospectus, including "*Our Business*" on page 156, rely on operational data compiled over a five-year period, while other disclosure is based on a three-year period. This inconsistency in the data periods used can affect the comparability and consistency of the operational data, leading to potential challenges in accurately assessing our results of operations.

28. ***Any decrease in or discontinuation of incentives or export promotion schemes we are entitled to may adversely affect our results of operations, cash flows and financial condition.***

As of the date of this Draft Red Herring Prospectus, we are entitled to certain incentives and export promotion schemes that result in favorable treatment to certain of our manufacturing facilities as well as for our R&D activities. We have been a beneficiary of the Government of India's Production Linked Incentive ("**PLI**") scheme since 2023, which aims to encourage domestic manufacturing and enhance exports by providing incentives on incremental sales from products manufactured in domestic units. To be eligible under the PLI scheme, a company must fulfill the investment commitment and revenue criteria for the eligible products during the tenure of the scheme. The incentive amounts disbursed under the PLI scheme contribute materially to our Company's profitability and help lower production costs. However, the continuation of the PLI scheme is subject to governmental discretion, and there can be no assurance that the scheme will be maintained if at all or maintained without significant changes over its current duration. Future changes in government policy, including suspension, modification, or termination of the PLI scheme, specific incentives under the scheme or reduction in the incentive amount, could have a material adverse effect on our Company's business, financial condition, and results of operations.

Additionally, we operate as an export-oriented unit ("**EOU**"), which permits us to import goods intended for export without paying import duties. To be eligible to operate as an EOU, a company must meet the minimum investment criteria in plant and machinery and undertake to export its entire production of goods and services, except permissible sales in the domestic tariff area. However, any changes to government policies, such as suspension, modification, or termination of the EOU scheme, or alterations to the duty exemption under the scheme, could significantly impact our Company's business operations, financial health, and overall performance. We cannot assure you that we would continue to be eligible for such incentives, export schemes or any other benefits. The reduction or termination of our export promotion schemes, or non-compliance with the conditions under which such schemes are made available, will increase our costs and adversely affect our business, prospects, results of operations and financial condition.

We have been sanctioned with customized incentive benefits under the Telangana Industrial Development and Entrepreneur Advancement ("**T–IDEA**") scheme 2014 under the 'Mega' category in relation to expansion of our existing facility located in Hyderabad, Telangana. The incentive is in the form of a one-time investment subsidy towards capital investment and additional incentive in form of partial reimbursement of power cost for a period of ten years. To be eligible under the T-IDEA scheme, a company must fulfil the investment commitment as required under the scheme. We have fulfilled the condition of investment commitment and are awaiting the release of funds by the Government of Telangana.

In the future, there may be new opportunities for us to apply for grants, loans and other incentives from the Indian government and foreign governments. Our ability to obtain funds or incentives from governments is subject to the availability of funds and total funds allocated under applicable government programs and approval of our applications to participate in such programs which are highly competitive.

29. ***Our inability to effectively accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations, financial condition and cash flows.***

We manage our inventory level through production planning (based on customer orders) and R&D delivery timelines. As is typical in the industry we operate in, we maintain a reasonable level of inventory of raw materials, work in progress and finished goods.

The table below sets out our inventories and our inventory turnover ratio, defined as our cost of goods sold divided by our average inventory, for the years mentioned.

	For the Financial Year		
	2024	**2023**	**2022**
Inventories (₹ in millions)	874.43	1,395.30	1,269.13
Inventory turnover ratio (times)*	3.93	3.17	2.62

Note:
** Cost of materials, chemicals and reagents consumed and changes in inventory of work-in-progress divided by average inventory*

For more information on our revenue recognition, see "*Management's Discussion and Analysis of Financial Position and Results of Operations — Material Accounting Policies*" on page 280. While we seek to manage our inventory level accurately and plan our production volumes accordingly, if we over-stock inventory due to changes in customers' orders and delay in R&D delivery timelines, our inventory holding costs may increase, working capital may be affected and we may incur additional financing costs or a potential write-off. While we have improved our inventory turnover in Financial Year 2024 compared to the previous Financial Years, there can be no assurance that we will not face inventory mismatch in the future. Our inability to accurately plan production of our products and manage our inventory may have an adverse effect on our business, financial condition and results of operations.

30. ***We are exposed to risks related to acquisitions, strategic investment and partnerships and our failure to execute these strategies effectively may affect our business operations.***

To pursue our growth strategy, we may acquire new technologies, businesses or services or enter into strategic alliances with third parties, that fit into and support our existing value chain, which allows us to further access a wider variety of participants in the healthcare ecosystem. For example, in the Financial Year 2023, one of our customers chose us from a pool of multiple Indian CROs to establish a specialized integrated drug discovery R&D centre within our premises to address the customer's needs. While we are also one of the few CROs in India to have a dedicated facility for one of our customers *(Source: F&S Report*), we cannot assure you that we will be able to secure such future contracts.

With respect to strategic investment and partnerships, we may not be able to identify attractive targets. Even if we manage to identify such targets, we may not be able to successfully acquire the targets identified despite spending significant amount of time and resources on pursuing such acquisition or investment, or complete the transactions on terms favourable to or acceptable to us, in a timely manner, or at all. The inability to identify the targets or complete such transactions successfully could adversely affect our business operations, financial results and competitiveness. Furthermore, integration of an acquired company, its intellectual property or technology into our own operations is a complex, time-consuming and expensive process. The successful integration of an acquisition may require, among other things, that we integrate and retain key management, sales and other personnel, integrate the acquired technologies or services into our integrated services from both an engineering and a sales and marketing perspective, integrate and support pre-existing supplier, distribution and customer relationships, coordinate research and development efforts, and consolidate duplicate facilities and functions. If we are not able to do so, our business strategies and operations may be adversely affected.

31. ***As a CRDMO, we are subject to product and other liability risks that could adversely affect our results of operations, financial condition, liquidity, and cash flows.***

CRDMOs are subject to significant product liability and other liability risks that are inherent in the design, development, manufacture, and marketing of pharmaceutical products. We may be named as a defendant in product liability lawsuits, which may allege that our offerings have resulted or could result in an unsafe condition or injury. Such lawsuits could be costly to defend and could result in reduced sales, significant liabilities and diversion of management's time, attention, and resources. Even claims without merit could subject us to adverse publicity and require us to incur significant legal fees. Furthermore, product liability claims and lawsuits, regardless of their ultimate outcome, could have a material adverse effect on our business operations, financial condition, and reputation and on its ability to attract and retain customers. We generally seek to manage this risk through the combination of product liability insurance, professional indemnity insurance and contractual indemnities, where the concerned national legislation allows it, and liability limitations in our agreements with customers and vendors. The availability of product liability insurance for companies in the pharmaceutical industry is generally more limited than insurance available to companies in other industries. Insurance carriers providing product liability insurance to those in the pharmaceutical and biotechnology industries generally limit the amount of available policy limits, require larger self-insured retentions, and exclude coverage for certain products and claims. Also, product liability insurance availability generally varies by country and may include sector-specific sub-limits. As a result, we could struggle to obtain insurance at an affordable rate, or find ourselves completely unable to acquire insurance coverage. In addition, any claim could result in unanticipated liability to us if the claim is outside the scope of the indemnification arrangement we have with our customers, our customers do not abide by the indemnification arrangement as required, or the liability exceeds the amount of any applicable indemnification limits or available insurance coverage. A claim brought against us that is uninsured or underinsured could result in unanticipated costs and could have a material adverse effect on our financial condition, results of operations or reputation.

While we have not experienced product recalls in the past three Financial Years, the supply agreements provide for product recalls if any issues relating to regulatory authorities arise, necessitating recalls of the relevant product. Any of such product recalls could adversely affect our results of operations, financial condition, liquidity, and cash flows.

32. Our insurance coverage may not be sufficient or adequate to protect us against all 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 operations are subject to various risks and hazards inherent in the manufacturing business, including breakdowns, failure or substandard performance of equipment, third party liability claims, labour disturbances, and infrastructure failure, as well as fire, theft, and other force majeure events. We maintain property insurance policies covering physical damage to, or loss of, our facilities and their improvements, equipment, office furniture and inventory, a group personal accident policy and group Mediclaim policy generally covering death or work-related injury of our employees. We also maintain professional indemnity insurance and commercial general liability insurance covering product liability claims arising from the use, consumption or operation of our new drugs and claims arising from negligence in connection with our services to customers. Additionally, we also hold public liability insurance covering certain incidents involving third parties that occur on or in our premises and directors' and officers' liability insurance.

The table below sets forth our insured tangible assets for the years mentioned.

Particulars	Amount of insurance obtained (₹ in million)	Amount of tangible assets*(₹ in million)	Percentage of total tangible assets* (in %)	Percentage of insurance coverage (in %)
As at March 31, 2024				
Insured tangible assets*	20,486.01	14,038.81	100%	146%
As at March 31, 2023				
Insured tangible assets*	18,213.55	12,811.93	100%	142%
As at March 31, 2022				
Insured tangible assets*	15,363.33	12,182.83	100%	126%

** Gross book value of property, plant and equipment (excluding right of use assets and freehold land), capital work-in-progress and inventory of our Company and its subsidiaries as at the end of the relevant financial year.*

While we maintain insurance coverage in amounts that we believe are consistent with industry norms and would be adequate to cover the normal risks associated with the operation of our business, our insurance policies do not cover all possible risks and are subject to exclusions and deductibles, particularly for the Unit IV Bidar Facility, which is vulnerable to various hazards. Additionally, we may face losses due to regulatory non-compliance or natural calamities, for which we may not have adequate insurance. There's also a risk associated with our international exports as we may lack insurance or vendor extension covers. While we have not faced issues with claims or inadequate coverage in the past three Financial Years, we cannot guarantee that future losses will not exceed our coverage, nor that insurance will remain affordable or available. An inability to renew or obtain necessary insurance could have negative impacts on our business and financial stability. We regularly renew our insurance and, despite no past difficulties in obtaining coverage, there is no certainty that we can continue to renew or secure new insurance on favourable terms in the future, which may negatively affect our operations.

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

As of March 31, 2024, our non-current borrowings amounted to ₹2,772.46 million. In addition, we have availed certain working capital facilities.

The table below sets forth our total borrowings, defined as the aggregate of our current borrowings and non-current borrowings, for the years mentioned.

	For the Financial Year		
	2024	**2023**	**2022**
Total borrowings (₹ million)	7,101.63	6,992.29	7,513.18

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; and (v) winding up or liquidating our Company. For details on our outstanding indebtedness, see "*Financial Indebtedness*" on page 305.

For the Offering, we have obtained the requisite approvals from our lenders and the applicable financial institutions. 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. 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. Furthermore, 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.

34. ***If we do not enhance our existing technologies or introduce new technologies or offerings in a timely manner, our technologies or offerings may become obsolete or uncompetitive over time.***

The global drug outsourcing services market is constantly evolving, and we must keep pace with new technologies to maintain our competitive position through research and development or acquisitions. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance the scope and quality of our services. We intend to continue to enhance our technical capabilities, which can be capital intensive and require significant time to be built. However, we cannot assure you that we will be able to identify, enhance, adapt to or acquire new technologies, or that the technologies we identify for adoption will meet our customers' needs. Any failure to do so may make our techniques and services obsolete, which could significantly reduce demand for our services and harm our business and prospects.

In addition, to develop and market our new technologies successfully, we must accurately assess and meet customers' needs, make significant capital expenditures, optimize the process of discovery, testing, development and manufacturing to predict and control costs, hire, train and retain the necessary personnel, obtain required regulatory clearances or approvals, increase customer awareness and acceptance of our services, provide high-quality services in a timely manner, price our services competitively and effectively integrate customer feedback into our business planning. Furthermore, our focus on small molecule manufacturing places us in a market niche that could become less relevant should the pharmaceutical industry trend away from small molecule therapies. If we fail to create demand for or incorrectly predict customer demand for new technologies, our future business, results of operations, financial condition and prospects could be materially and adversely affected.

35. ***Our Company, Directors, Promoters and Subsidiaries are or may be involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

As on date of this Draft Red Herring Prospectus, there are outstanding legal proceedings involving our Company, Directors and Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals.

We cannot provide any assurance that these legal proceedings will be decided in our favour or in favour of our Director and our Promoters. While we do not believe that the resolution of any of these lawsuits against us will, individually or in the aggregate, have a material adverse effect on our business, financial condition and results of operations, litigation to which we subsequently become a party might result in substantial costs and divert management's attention and resources. Furthermore, any litigations, legal disputes, claims or administrative proceedings which are initially not of material importance may escalate and become important to us due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. Litigation or arbitration could result in substantial costs to, and a diversion of effort by, us and/or subject us to significant liabilities to third parties.

The summary of such outstanding material legal and regulatory proceedings as on the date of this Draft Red Herring Prospectus is set out below.

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter in the last five years	Material civil or other litigations*	Aggregate amount involved (in ₹ million)^
Company						
By our Company	Nil	Nil	Nil	N.A	Nil	Nil
Against our Company	Nil	42	1	Nil	Nil	3,049.99
Directors						

Name	Criminal proceedings	Tax proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoter in the last five years	Material civil or other litigations*	Aggregate amount involved (in ₹ million)^
By our Directors	Nil	Nil	Nil	N.A	Nil	Nil
Against our Directors	Nil	1	Nil	N.A	Nil	0.14
Promoters						
By our Promoters	Nil	Nil	Nil	N.A	Nil	Nil
Against our Promoters	Nil	3@	Nil	Nil	Nil	0.49
Subsidiaries						
By Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil
Against Subsidiaries	Nil	Nil	Nil	N.A	Nil	Nil

* *In accordance with the Materiality Policy.*

^ *to the extent quantifiable.*

@ *Includes a matter involving Krishnam Raju Kanumuri, one of our Promoters, who is also our Managing Director and Chief Executive Officer, and as appearing under "Directors – Against our Directors" in the table above.*

As of the date of this Draft Red Herring Prospectus, our Company does not have any group companies.

An adverse outcome in any of these proceedings may have an adverse effect on our business, financial position, prospects, results of operations and our reputation. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 307.

36. ***Certain of our Promoters have pledged their Equity Shares with a lender. Any exercise of such pledge by the lender could dilute the shareholding of the Promoters, which may adversely affect our business and share price***

As on the date of this Draft Red Herring Prospectus, for (i) 680,235 Equity Shares held by Sunflower Partners; (ii) 288,235 Equity Shares held by Lily Partners; (iii) 691,765 Equity Shares held by Marigold Partners; and (iv) 299,765 Equity Shares held by Tulip Partners, aggregating to 1,960,000 Equity Shares are pledged pursuant to to master pledge agreements, executed amongst our Other Promoters and IIFL Finance Limited. The pledge on such Pledged Shares shall be temporarily released three working days prior to the filing of the Red Herring Prospectus with the RoC for the purposes of lock-in in accordance with the requirements of the SEBI ICDR Regulations. For further details see, "*Capital Structure - History of the share capital held by our Promoters*" on page 83. Any default under the agreements pursuant to which these Equity Shares have been pledged will entitle the pledgee to enforce the pledge over these Equity Shares. If this happens, the shareholding of the Promoters will be diluted and we may face certain impediments in taking decisions on certain key, strategic matters involving the Company. Further, any sale of Equity Shares by the lender may adversely affect the price of the Equity Shares.

37. ***Our Company has issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price. The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing.***

In the preceding one year from the date of this Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price. For details of the issued Equity Shares in the preceding one year from the date of this Draft Red Herring Prospectus, see "*Capital Structure – Notes to Capital Structure – 1. Share capital history of our Company – (i) Equity Share Capital*" on page 66.

The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded after listing. For details on such allotments, see "*Capital Structure*" on page 66.

38. ***We enter into certain related party transactions in the ordinary course of our business and we cannot assure you that such transactions will not have an adverse effect on our results of operation and financial condition.***

We have entered into certain transactions with related parties and are likely to continue to do so in the future. Such transactions primarily relate to commission, sitting fees and reimbursement of expenses. These transactions were carried out at arms' length price and were not prejudicial to our interests. We have not experienced any conflicts of interest with related parties in the past three Financial Years. For details on our related-party transactions, see "*Restated Consolidated Financial Information — Notes to the Restated Consolidated Financial Information — Note 40. Related party disclosures*" on page 266. Although all the related-party transactions that we have entered into in the Financial Years 2022, 2023 and 2024 have been undertaken at arm's length basis and were not prejudicial to our interests, we may enter into related-party transactions in the future which will be subject to approval by our audit committee, board of directors 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 favourable 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.

39. ***We have certain contingent liabilities, which, if they materialize, may affect our results of operations, financial condition and cash flows.***

The following table sets forth our contingent liabilities and commitments as of March 31, 2024.

Particulars	**As of March 31, 2024** ***(₹ in millions)***
Claims arising from disputes not acknowledged as debts	204.64
Issue of standby line of credit to vendor on behalf of subsidiary	36.20

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in the future. If a significant portion of our contingent liabilities materialize, it could have an adverse effect on our results of operations, financial condition and cash flows. For details, see "*Financial Information – Restated Financial Information – Note 42. Contingent liabilities and commitments*" on page 267.

40. ***The CDRMO industry is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition and cash flows.***

The domestic and international CRDMO industry is a highly competitive market with several companies present, and therefore it could be challenging to improve market share and profitability. The success of our company largely depends on the end-products we are involved in developing or manufacturing for our end pharmaceutical customers. Given the similarity in chemical and tentative composition among competing end-products, our growth and revenues and success are significantly influenced by the efficacy and clinical trial outcomes associated with these products, which we do not control. A superior clinical outcome for a competing product can redirect market preference and potentially result in a contraction of our revenue streams as medical professionals may opt for the product with better trial results, ultimately diminishing demand for our services. Should a drug be abandoned by a customer based on clinical trial outcome, it will impact our revenue projections against the specific product and we may not be able to do, if at all, substitute other products to fully mitigate the loss of revenues.

In addition, the major pharmaceutical companies may set up pure play API businesses similar to ours to do captive or third-party APIs or intermediates, which may impact our market share and profit margins on our products. Many of our competitors may have greater financial, manufacturing, R&D, marketing and other resources, greater geographic reach or a stronger sales force. Our competitors may succeed in developing processes that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations, cash flows and financial condition.

Furthermore, in the CRDMO business, our services are tailored to a single customer's product and/or services based on the customer's intellectual property and confidentiality restrictions. This exclusivity can limit our ability to diversify our revenue sources across multiple customers simultaneously for similar products. As such, the performance of each product we work on is critical to our financial stability. An inability to secure contracts for products that perform well in the market could have an adverse effect on our business operations and financial conditions.

41. ***Our failure to maintain or increase our marketing activities and capabilities could adversely affect our market share and our reputation, business, financial condition and results of operations.***

Marketing is an important part of our business strategy. We intend to deepen the market penetration and expand our geographical coverage through efficient sales and marketing efforts and to conduct marketing and promotion activities. As of March 31, 2024, we had a 16-member global business development team based out of the United States, Europe and India overseeing our sales and marketing. The table below sets forth our expenditure on market activities for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of total expenses***	***(₹ in millions)***	***% of total expenses***	***(₹ in millions)***	***% of total expenses***
Sales promotion expenses (not including employee expenses)	30.45	0.22	11.14	0.09	51.05	0.57

However, there is no assurance that our current and planned spending on marketing activities will be adequate to support our growth strategies. Any factors adversely affecting our ability to maintain or increase our marketing activities and capabilities will have an adverse effect on the market share of our services and products, brand names and reputation, which may result in decreased demand for our services and products and may adversely affect our business, financial condition and results of operations.

42. ***We could be materially adversely affected by violations of the U.S. Foreign Corrupt Practices Act, 1977 and similar anti-corruption, anti-bribery and anti-kickback laws.***

Our business operations and services in countries outside the United States are subject to anti-corruption, anti-bribery and anti-kickback laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act, 1977 (the "**FCPA**"), as well as the United Kingdom Bribery Act of 2010, (the "**UK Bribery Act**"). The FCPA, UK Bribery Act, and similar anti-corruption, anti-bribery and anti-kickback laws in other jurisdictions generally prohibit companies and their intermediaries and agents from making improper payments to government officials or any other persons for the purpose of obtaining or retaining business. We provide our services in many parts of the world that have experienced governmental corruption to some degree. We train our employees concerning anti-corruption, anti-bribery and anti-kickback laws and have policies in place that prohibit employees from making improper payments. We have implemented internal controls and procedures designed to ensure that we comply with anti-corruption, anti-bribery and anti-kickback laws, rules and regulations and mitigate and protect against corruption risks. We have not violated the FCPA or similar anti-corruption, anti-bribery and anti-kickback laws in the past three Financial Years. However, we cannot provide assurance that our internal controls and procedures will protect us from reckless, criminal or other acts committed by our employees or third-parties with whom we work. If we are found to be liable for violations of the FCPA or similar anti-corruption, anti-bribery and anti-kickback laws, either due to our own acts or out of inadvertence, or due to the acts or inadvertence of others, we could suffer criminal or civil fines or penalties or other repercussions, including reputational harm, which could have a material and adverse effect on our business, financial conditions and results of operations.

43. ***Our customer contracts are governed by the laws of various countries and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries, and managing such disputes may result in greater costs for our Company.***

Most of the contracts executed with our customers are governed by the laws of the country in which the customer is incorporated. Furthermore, any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Any lawsuits with respect to such disputes must be instituted in a court having jurisdiction over the contract, which may cause difficulty for our Company to manage such suits and to obtain enforcement of awards and may also lead to greater costs for managing such litigation.

44. ***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.***

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. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with the dividend distribution policy adopted by our Company on July 10, 2024 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. Furthermore, our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. Additionally, our ability to pay dividends may also be restricted by the terms of financing arrangements that we may enter into. We have not encountered any financing arrangements, which affected our ability to pay dividends in the past three Financial Years. For details, see "*Financial Indebtedness*" beginning on page 305. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" beginning on page 214.

45. ***We have commissioned an industry report from Frost & Sullivan which have been used for industry related data in this DRHP and such data has not been independently verified by us.***

The industry and market information contained in this Draft Red Herring Prospectus includes information that is derived from the F&S Report dated July 8, 2024 (the "**F&S Report**", prepared by an independent third-party research agency, Frost & Sullivan (India) Private Limited, which has been paid for by us. We engaged F&S on April 15, 2024. 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. Neither our Company, its Subsidiaries, its Directors, Promoters, Promoter Group, Key Managerial Personnel, Senior Management Personnel or Selling Shareholders 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. Furthermore, 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. For further details, see "*Certain Conventions, Presentation of Financial, Industry and Market Data – Industry and Market Data*" on page 14.

46. ***Our Corporate Office, Unit II Hyderabad Facility, Greater Boston Facility, Manchester Facility and certain parts of Unit IV Bidar Facility are located on leased premises. There can be no assurance that such lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on the same or similar commercial terms.***

The premises for our Corporate Office, Unit II Hyderabad Facility, Greater Boston Facility and Manchester Facility are not owned by us. For further details, see "*Our Business – Property*" on page 174.

The lease periods and rental amounts for these properties vary on the basis of their locations. We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure that the new arrangements will be on commercially acceptable terms. If we are required to relocate our business operations during this period, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, prospects, results of operations and financial condition. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.

47. ***Any delay in payment of such statutory dues or non-payment of statutory dues in dispute may attract financial penalties from the respective government authorities and in turn may have an adverse impact on our financial condition and cash flows.***

The table below provides details of the statutory dues, payable by the company over the last three financial years:

Particulars		**For the Financial Year**		
		Fiscal 2024	**Fiscal 2023**	**Fiscal 2022**
Employee provident fund	Statutory dues paid (₹ million)	179.78	155.40	138.78
	Number of employees covered	3,418	3,513	2,959
Employees' state insurance corporation contribution	Statutory dues paid (₹ million)	0.24	0.46	0.68
	Number of employees covered	31	82	119
Tax deducted at source (on salaries of employees)	Statutory dues paid (₹ million)	258.88	207.40	169.80
	Number of employees covered	1,181	1,121	1,034
Tax deducted at source (other than salaries of employees)	Statutory dues paid (₹ million)	65.60	68.24	63.24
Professional tax	Statutory dues paid (₹ million)	6.59	5.74	5.28
	Number of employees covered	3,363	3,470	2,919

Note: The numbers of employees disclosed above represents eligible employees above exemption limits as stipulated under respective employee related regulatory laws.

Of the above, there have been some instances of delay/default in payment of statutory dues by our Company in the past which were not material in nature and the same were regularized subsequently. During the last three Financial Years, we have not experienced any delays in payment of statutory dues, including provident fund contributions, ESIC contributions, TDS, GST, professional tax and gratuity, except 14 instances of monthly payment of provident fund. This was due to technical error of mismatch of employee Aadhar number with the employee provident fund records or instances where the employee has not updated his/her Aadhar number in the provident fund records. Out of the 14, we were unable to rectify three instances in Financial Year 2023 and the dues remain unpaid as we have been unable to contact the employees who are no longer working with the Company. These payments while not material, would be paid along with interest as soon as the Company establishes contact with these former employees.

The table below provides details of the delay in provident fund payments for the past three Financial Years due to the abovementioned reason:

Financial Year	**Number of instances (A)**	**Amount Payable (B)** (₹ million)	**Amount paid on time (C)** (₹ million)	**Amount delayed (D=B-C)** (₹ million)	**Paid till March 31 2024 (E)** (₹ million)	**Balance unpaid (F=D-E)** (₹ million)
2022	Nil	Nil	Nil	Nil	Nil	Nil
2023	12	155.60	155.31	0.29	0.27	0.02
2024	2	27.82	27.81	0.01	0.01	Nil
Total	**14**	**183.43**	**183.13**	**0.30**	**0.28**	**0.02**

There can be no assurance that delays or default with respect to payment of statutory dues will not occur in the future, that such delays or default will not result in any regulatory penalties against our Company, our Promoters, or that our audit reports for any future financial years will not contain any qualifications, matters of emphasis or other observations on account of such delay/default which in turn may affect our reputation and financial results. For details on outstanding litigation matters, see "*Outstanding Litigation and Material Developments*" on page 307.

48. ***We track certain operational performance metrics including certain non-GAAP financial measures with internal systems and tools. Some of these operational performance metrics may differ from similar metrics published by other companies, including peer companies and hence their comparability may be limited.***

We track certain operational performance, including certain non-GAAP financial measures such as EBITDA and EBITDA margin with internal and external systems and tools, which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate.

Further, these are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or U.S. GAAP. These metrics are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/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, IFRS or U.S. GAAP. In addition, these, are not standardized terms, hence a direct comparison of these measures between companies may not be possible. Other companies may calculate these measures differently from us, limiting its usefulness as a comparative measure.

External Risk Factors

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

Economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of the Government of India, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

50. 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.

The Government of India has implemented a major reform in Indian tax laws, namely the GST. The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by GST, with effect from July 1, 2017. The GST regime continues to be subject to amendments and its interpretation by the relevant regulatory authorities is constantly evolving. We cannot assure you that the relevant regulatory authorities will not make any material tax demands under GST on us in the future which could adversely impact our business, results of operations, financial condition, cash flows, and the price of the Equity Shares. Earlier, distribution of dividends by a domestic company was subject to Dividend Distribution Tax ("**DDT**"), in the hands of the company. However, the Government has amended the Income Tax Act, 1961 ("**Income Tax Act**") to abolish the DDT regime. Accordingly, any dividend distribution by a domestic company is subject to tax in the hands of the investor at the applicable rate. Additionally, the domestic company is required to withhold tax on such dividends distributed at the applicable rate. However, non-resident shareholders may claim benefit of an applicable tax treaty, read with the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (Multilateral Instrument), if and to the extent applicable, subject to satisfaction of certain conditions. We may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of withholding tax pursuant to any corporate action including dividends. Further, the Government of India has recently announced the union budget for the financial year 2024-2025 ("**Budget**"). Pursuant to the Budget, the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law. There is no certainty on the impact of the Budget on tax laws or other regulations, which may adversely affect our business, financial condition, results of operations or on the industry in which we operate. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing or trading in our Equity Shares. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Additionally, the Government of India has introduced (a) the Code on Wages, 2019 (**"Wages Code"**); (b) the Code on Social Security, 2020 (**"Social Security Code"**); (c) the Occupational Safety, Health and Working Conditions Code, 2020; and (d) the Industrial Relations Code, 2020 (collectively, the "**Labour Codes**") which consolidate, subsume and replace numerous existing central labour legislations. The Government of India has deferred the effective date of implementation of the respective Labour Codes, and they shall come into force from such dates as may be notified. Different dates may also be appointed for the coming into force of different provisions of the Labour Codes. While the rules for implementation under these codes have not been notified in its entirety, as an immediate consequence, the coming into force of these codes could increase the financial burden on our Company, which may adversely impact our profitability. We are yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to the employees which was earlier segregated under different acts and had different applicability and coverage. Furthermore, the Wages Code limits the amounts that may be excluded from being accounted toward employment benefits (such as gratuity and maternity benefits) to a maximum of 50% of the wages payable to employees. The implementation of such laws has the ability to increase our employee and labour costs, thereby adversely impacting our results of operations, cash flows, business and financial performance.

The Parliament of India has passed the Bharatiya Nyaya Sanhita Bill, 2023, the Bharatiya Nagarik Suraksha Sanhita Bill, 2023 and the Bharatiya Sakshya Bill, which have replaced the Indian Penal Code, 1860, the Code of Criminal Procedure, 1973 and the Indian Evidence Act, 1872, respectively, with effect from July 1, 2024. The effect of the provisions of these on us and the litigations involving us cannot be predicted with certainty at this stage.

51. ***A downgrade in credit ratings of India may affect the trading price of the Equity Shares.***

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.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's in June 2024 and from BBB- with a "stable" outlook to BBB- with a "negative" outlook (Fitch) in June 2020; and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS in May 2021. India's sovereign ratings from S&P is BBB- (long term) and A-3 (short term) with a "positive" outlook in May 2024. 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 financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for reasons beyond our control such as, upon a change of government tax or fiscal policy. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

52. ***Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly the emerging Asian market countries. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. dollar owing to various factors. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of our Equity Shares. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. For example, China is one of India's major trading partners and a slowdown in the Chinese economy or adverse developments in the relationship between the two countries could have an adverse impact on the trade relations between the two countries. Any significant financial disruption could have an adverse effect on our business, financial condition and results of operation.

The global credit and equity markets have from time to time, experienced substantial dislocations, liquidity disruptions and market corrections. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, may implement a number of policy measures designed to add stability to the financial markets. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of our Equity Shares.

53. ***If inflation rises in India, increased costs may result in a decline in profits.***

Inflation rates in India have been volatile in the past, and such volatility may occur in the future. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. 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 pass on to our customers, whether entirely or in part, and may adversely affect our business, cash flows and financial condition. In particular, we might not be able to reduce our costs or increase the amount of commission to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Furthermore, 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. There can be no assurance that Indian inflation levels will not worsen in the future.

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

Our Company is incorporated under the laws of India and most of our Directors reside in India. Furthermore, significant portion of our assets, and the assets of our Key Managerial Personnel and Directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us and our Directors or to enforce judgments obtained in courts outside India against us or our Directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 (**"Civil Code"**). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, United Arab Emirates, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Civil Code. The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. 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 favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. Furthermore, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

55. 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 the foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the Reserve Bank of India (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 fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Furthermore, 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 and/or departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority.

Furthermore, this conversion is subject to the shares having been held on a repatriation basis and, either the security having been sold in compliance with the pricing guidelines or, the relevant regulatory approval having been obtained for the sale of shares and corresponding remittance of the sale proceeds.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, 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. Furthermore, 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 and/or purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Non-debt Instruments Rules. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or conditions or at all. For further information, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 363.

56. Our ability to raise foreign capital may be constrained by Indian law and this may affect our business growth, financial condition and results of operations.

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.

57. Investors can be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares or dividend paid thereon.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied on and collected by an Indian stock exchange on which equity shares are sold. Any capital gain exceeding ₹100,000, realized on the sale of listed equity shares on a 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 provision is, *inter alia*, subject to payment of STT.

Furthermore, any gain realized on the sale of listed 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. Furthermore, any gain realized on the sale of the 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 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. Further, the Government of India has recently announced Budget pursuant to which the Finance Bill, 2024, *inter alia*, proposes to amend the capital gains tax rates with effect from the date of announcement of the Budget. However, the Finance Bill, 2024 has not yet been enacted into law.

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. 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. We 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 our business, financial condition and results of operations. Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning the Equity Shares.

58. ***Increasing employee compensation in India may erode some of our competitive advantage and may reduce our profit margins, which may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

Employee compensation in India has historically been significantly lower than employee compensation in the United States and Western Europe for comparably skilled professionals, which has been one of our competitive strengths. However, compensation increases in India may erode some of this competitive advantage and may negatively affect our profit margins. Employee compensation in India is increasing at a faster rate than in the United States and Western Europe, which could result in increased costs relating to scientists and engineers, managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may have a material adverse effect on our business, financial condition, cash flows and results of operations.

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

Our Articles of Association, composition of our Board, 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. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

60. ***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 prohibits any anti competition agreement or arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition in India. Any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of consumers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition.

The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Any breach of the provisions of Competition Act, may attract substantial monetary penalties.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition

Act. Furthermore, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. We are not currently party to any outstanding proceedings, nor have we ever received any notice in relation to non-compliance with the Competition Act. Any enforcement proceedings initiated by the CCI in future, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI may affect our business, financial condition and results of operations.

61. ***Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures like Additional Surveillance Measure ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in order to enhance market integrity and safeguard the interest of investors.***

SEBI and the Stock Exchanges have introduced various pre-emptive surveillance measures in order to enhance market integrity and safeguard the interests of investors, including ASM and GSM. ASM and GSM are imposed on securities of companies based on various objective criteria such as significant variations in price and volume, concentration of certain customer accounts as a percentage of combined trading volume, average delivery, securities which witness abnormal price rise not commensurate with financial health and fundamentals such as earnings, book value, fixed assets, net worth, price / earnings multiple, market capitalization etc.

Upon listing, the trading of our Equity Shares would be subject to differing market conditions as well as other factors which may result in high volatility in price, low trading volumes, and a large concentration of customer accounts as a percentage of combined trading volume of our Equity Shares. The occurrence of any of the abovementioned factors or other circumstances may trigger any of the parameters prescribed by SEBI and the Stock Exchanges for placing our securities under the GSM and/or ASM framework or any other surveillance measures, which could result in significant restrictions on trading of our Equity Shares being imposed by SEBI and the Stock Exchanges. These restrictions may include requiring higher margin requirements, requirement of settlement on a trade for trade basis without netting off, limiting trading frequency, reduction of applicable price band, requirement of settlement on gross basis or freezing of price on upper side of trading, as well as mentioning of our Equity Shares on the surveillance dashboards of the Stock Exchanges. The imposition of these restrictions and curbs on trading may have an adverse effect on market price, trading and liquidity of our Equity Shares and on the reputation and conditions of our Company.

62. ***Our Company will not receive any proceeds from the Offer for Sale portion.***

The Offer includes an offer for sale of up to 61,573,120 Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be transferred to each of the Selling Shareholders, in proportion to its respective portion of the Offered Shares transferred by Selling Shareholder in the Offer for Sale.

We propose to use the Net Proceeds for repayment or prepayment, in part or full, of all or certain outstanding borrowings availed by our Company and for general corporate purposes. The proposed deployment of Net Proceeds has not been appraised by any bank or financial institution or other independent agency and is based on internal management estimates based on current market conditions and historic level of expenditures. Any variation in the utilization of the Net Proceeds shall be on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management, and may be subject to various other approvals, which includes, amongst others obtaining prior approval of the Shareholders of the Company. The Offer expenses are estimated to be approximately ₹[●] million. For details, see "*Objects of the Offer*" on page 105.

Various risks and uncertainties, including those set forth in this "*Risk Factors*" section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. Accordingly, the use of the Net Proceeds to fund our growth and for other purposes identified by our management may not result in actual growth of our business, increased profitability or an increase in the value of our business and your investment..

63. ***Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer. Furthermore, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.***

Prior to the Issue, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Issue. We cannot guarantee that an active trading market will develop or be sustained after the offering. Nor can we predict the prices at which the Equity Shares may trade after the offering.

The Offer Price of our Equity Shares may not be indicative of the market price for the Equity Shares after the Offer. If you purchase the Equity Shares in our initial public offering, you may not be able to resell them at or above the Offer Price. We cannot assure you that the Offer Price of the Equity Shares, or the market price following our initial public offering, will equal or exceed prices in privately negotiated transactions of our shares that may have occurred from time to time prior to our initial public offering. The market price of the Equity Shares may decline or fluctuate significantly due to a number of factors, some of which may be beyond our control, including:

- actual or anticipated fluctuations in our operating results;
- announcements about our earnings that are not in line with analyst expectations;
- the public's reaction to our press releases, other public announcements in relation to us or our affiliates and filings with the regulator;
- significant liability claims, complaints from our customers, shortages or interruptions in the availability of raw materials, or reports of incidents of tampering of raw materials;
- changes in senior management or key personnel;
- macroeconomic conditions in India;
- fluctuations of exchange rates;
- the operating and stock price performance of comparable companies;
- changes in our shareholder base;
- changes in our dividend policy;
- issuances, exchanges or sales, or expected issuances, exchanges or sales;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in the regulatory and legal environment in which we operate; and
- market conditions in the construction and development industry and the domestic and worldwide economies as a whole.

Any of these factors may result in large and sudden changes in the volume and trading price of the Equity Shares. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have an adverse effect on our business, results of operations and financial condition.

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

Any future issuance of the Equity Shares or securities linked to the Equity Shares by our Company, including issuance of Equity Shares to eligible employees (as defined in the ESOP Schemes), may dilute your shareholding. Any such future issuance of the Equity Shares or future sales of the Equity Shares by any of our significant shareholders may also adversely affect the trading price of the Equity Shares and impact our ability to raise funds through an offering of our securities. Any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. Additionally, the disposal, pledge or encumbrance of the Equity Shares by any of our significant shareholders, or the perception that such transactions may occur, may affect the trading price of the Equity Shares. There can be no assurance that we will not issue further Equity Shares or that our existing Shareholder (i.e. our Promoter) will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber its Equity Shares. Any future issuances could also dilute the value of shareholder's investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

65. ***We cannot assure that prospective investors will be able to sell immediately on an Indian stock exchange any of our Equity Shares they purchase in the Offer.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the Stock Exchanges within a prescribed time. Accordingly, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all and there could be a failure or delay in listing our Equity Shares on the Stock Exchanges, which would adversely affect your ability to sell our Equity Shares.

66. ***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 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 shareholders of such company.

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. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in our Company may be reduced.

67. QIBs and Non-Institutional Bidders 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.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to pay the Bid Amount on submission of the Bid and 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. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of our Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment pursuant to the Offer within three Working Days from the Bid/Offer Closing Date, or such other timeline as may be prescribed under applicable law, events affecting the Bidders' decision to invest in our Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition 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 the Equity Shares to decline on listing.

68. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as shareholders of an entity in another jurisdiction.

SECTION IV: INTRODUCTION

THE OFFER

The following table sets forth the details of the Offer:

The Offer(1)(2)	Up to [●] Equity Shares of face value of ₹1 each, aggregating up to ₹[●] million
consists of:	
Fresh Issue(1)	Up to [●] Equity Shares of face value of ₹1 each, aggregating up to ₹8,000.00 million
Offer for Sale(2)	Up to 61,573,120 Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
The Offer comprises:	
Employee Reservation Portion(3)	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
Net Offer	Up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
The Net Offer consists of:	
QIB Portion(4)(5)	Not more than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares of face value of ₹1 each
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares of face value of ₹1 each
of which:	
- Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares of face value of ₹1 each
- Balance of the Net QIB Portion for all QIBs including Mutual Funds	[●] Equity Shares of face value of ₹1 each
Non-Institutional Portion(5)(6)	Not less than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹200,000 and up to ₹1,000,000	[●] Equity Shares of face value of ₹1 each
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹1,000,000	[●] Equity Shares of face value of ₹1 each
Retail Portion(4)	Not less than [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer prior to the conversion of the CCPS (as on the date of this Draft Red Herring Prospectus)	[●] Equity Shares of face value of ₹1 each
Equity Shares outstanding prior to the Offer (assuming conversion of the outstanding CCPS)^	[●] Equity Shares of face value of ₹1 each
Equity Shares outstanding after the Offer	[●] Equity Shares of face value of ₹1 each
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" beginning on page 105 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

^ *480,000 CCPS of face value of ₹10 each shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of the Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations. The issued, subscribed and paid-up share capital of our Company will accordingly be updated at the time of filing of the updated Draft Red Herring Prospectus with SEBI. For details, see "History and Certain Corporate Matters – Shareholders' agreements and other agreements" on page 188.*

(1) *The Offer has been approved by our Board pursuant to the resolution passed at its meetings dated July 4, 2024. The Fresh Issue has been approved by our Shareholders pursuant to the special resolution passed at their extraordinary general meeting dated July 4, 2024.*

(2) *The Equity Shares being offered by each of the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. Our Board and IPO Committee have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale as set out below pursuant to a resolutions passed in their meeting held on July 10, 2024 and July 12, 2024,respectively. The Offer for Sale has been authorised by each of the Selling Shareholders as follows:*

S. No.	Selling Shareholders	Number of Offered Shares	Aggregate proceeds from the Offered Shares*	Date of consent letter	Date of corporate action / board resolution / authorisation letter
		Promoter Selling Shareholder			
1.	Sai Quest Syn Private Limited	Up to 6,454,780 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 11, 2024	July 11, 2024
		Investor Selling Shareholders			
2.	TPG Asia VII SF Pte Ltd	Up to 45,721,080 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 11, 2024	July 4, 2024
3.	HBM Private Equity India	Up to 6,862,260 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 12, 2024	July 5, 2024

S. No.	*Selling Shareholders*	*Number of Offered Shares*	*Aggregate proceeds from the Offered Shares**	*Date of consent letter*	*Date of corporate action / board resolution / authorisation letter*
		Other Selling Shareholders			
4.	*Bharathi Srivari*	*Up to 650,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 9, 2024*	*N.A*
5.	*Anita Rudraraju Nandyala*	*Up to 500,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 10, 2024*	*N.A*
6.	*Raju Penmasta*	*Up to 500,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 9, 2024*	*N.A*
7.	*Dr. Dirk Walter Sartor*	*Up to 250,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 9, 2024*	*N.A*
8.	*Jagdish Viswanath Dore*	*Up to 250,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 7, 2024*	*N.A*
9.	*Rajagopal Srirama Tatta*	*Up to 250,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 7, 2024*	*N.A*
10.	*K Pandu Ranga Raju*	*Up to 80,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 7, 2024*	*N.A*
11.	*Alluri Srinivasa Raju*	*Up to 25,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 10, 2024*	*N.A*
12.	*Bhupathi Raju Atchuta Ramakrishna Raju*	*Up to 15,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 9, 2024*	*N.A*
13.	*Srinivasa Rao Karra*	*Up to 10,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 9, 2024*	*N.A*
14.	*Venkata Narasimha Sastry Renduchintala*	*Up to 5,000 Equity Shares of face value of ₹1 each*	*Up to ₹[●] million*	*July 7, 2024*	*N.A*

* *To be updated at the Prospectus stage.*

(3) *The Employee Reservation Portion shall not exceed 5% of our post-Offer Equity Share capital. The initial Allotment to an Eligible Employee in the Employee Reservation Portion shall not exceed ₹200,000, however, an Eligible Employee may submit a Bid for a maximum Bid Amount of ₹500,000 under the Employee Reservation Portion. 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 Employees not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation up to ₹500,000 to each Eligible Employee), shall be added to the Net Offer. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Retail Portion in the Net Offer and such Bids will not be treated as multiple Bids. For further details, see "Offer Structure" beginning on page 340.*

(4) *Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors. 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. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares shall be added back 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 the Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than the Anchor Investors) in proportion to their Bids. For details, see "Offer Procedure" beginning on page 344.*

(5) *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, in consultation with the BRLMs and the Designated Stock Exchange. Further, unsubscribed portion in either of the sub-categories in the Non-Institutional Portion may be allocated to applicants in the other sub-category of Non-Institutional Bidders. 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. In the event of an under-subscription in the Offer, Equity Shares offered pursuant to the Fresh Issue shall be allocated in the Fresh Issue prior to the Equity Shares offered pursuant to the Offer for Sale. However, after receipt of minimum subscription of 90% of the Fresh Issue, the Allotment shall first be made towards (i) the Offer for Sale of up to 85,000 Equity Shares by the Promoter Selling Shareholder, then (ii) the entire portion of the Offered Shares of the TPG, to the extent applicable, then (iii) the entire portion of the Offered Shares of the HBM, then (iv) the Offer for Sale by the remaining Selling Shareholders, including Promoter Selling Shareholder, in the proportion of their respective Offered Shares. Further, once Equity Shares have been Allotted as per (i), (ii), (iii) and (iv) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue.*

(6) *The Equity Shares available for allocation to NIBs under the Non-Institutional Portion, shall be subject to the following, and in accordance with the SEBI ICDR Regulations: (i) one-third of the portion available to NIBs shall be reserved for Bidders with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to NIBs shall be reserved for Bidders with application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of NIBs.*

Allocation to all categories, except the Anchor Investor Portion, Non-Institutional Portion, and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each RIB and NIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the Non-Institutional Portion, respectively, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see *"Offer Structure"*, "*Offer Procedure*" and "*Terms of the Offer*" beginning on pages 340, 344 and 334, respectively.

SUMMARY OF 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, 2024, March 31, 2023 and March 31, 2022.

The Restated Consolidated Financial Information referred to above are presented under "Financial Information" beginning on page 215. 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 Position and Results of Operations" beginning on pages 215 and 276, respectively.

(*The remainder of this page has been left intentionally blank*)

SUMMARY OF RESTATED CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES

(All amounts in ₹ millions)

Particulars	As at		
	March 31, 2024	March 31, 2023	March 31, 2022
Assets			
Non-current assets			
(a) Property, plant and equipment	9,263.55	7,776.15	7,429.03
(b) Right of use assets	2,397.13	2,478.73	2,210.96
(c) Capital work in progress	1,068.95	1,510.01	1,886.87
(d) Intangible assets	137.73	114.33	80.50
(e) Financial assets			
(i) Investments	18.68	18.68	0.16
(ii) Other financial assets	40.67	26.57	30.52
(f) Deferred tax asset	131.33	80.62	57.06
(g) Non-current tax assets (net)	132.79	76.63	138.12
(h) Other non-current assets	109.39	145.26	355.31
Total non-current assets	**13,300.22**	**12,226.98**	**12,188.53**
Current assets			
(a) Inventories	874.43	1,395.30	1,269.13
(b) Financial assets			
(i) Trade receivables	2,561.84	2,840.51	2,429.04
(ii) Cash and cash equivalents	236.57	699.12	1,159.39
(iii) Bank balances other than (ii) above	1,351.43	164.24	143.52
(iv) Other financial assets	794.76	1,784.74	1,443.75
(c) Other current assets	3,632.11	2,755.59	3,008.94
Total current assets	**9,451.14**	**9,639.50**	**9,453.77**
Total assets	**22,751.36**	**21,866.48**	**21,642.30**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	180.50	180.10	179.43
(b) Other equity	9,570.94	8,700.83	8,606.22
Total equity	**9,751.44**	**8,880.93**	**8,785.65**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	2,772.46	2,609.69	2,971.71
(ii) Lease liabilities	1,757.21	1,957.97	1,895.66
(iii) Other financial liabilities	13.33	37.27	28.01
(b) Provisions	195.23	166.76	189.31
(c) Deferred tax liabilities (net)	862.66	625.34	625.99
Total non-current liabilities	**5,600.89**	**5,397.03**	**5,710.68**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	4,329.17	4,382.60	4,541.47
(ii) Lease liabilities	417.76	373.49	245.61
(iii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	90.07	80.90	122.14
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,903.98	2,008.56	1,869.91
(iv) Other financial liabilities	317.53	227.79	93.65
(b) Other current liabilities	256.80	409.49	188.26
(c) Provisions	83.72	72.02	59.26
(d) Current tax liabilities (net)	-	33.67	25.67
Total current liabilities	**7,399.03**	**7,588.52**	**7,145.97**
Total equity and liabilities	**22,751.36**	**21,866.48**	**21,642.30**

SUMMARY OF RESTATED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS

(All amounts in ₹ millions, , unless otherwise stated)

	Particulars	For the year ended		
		March 31, 2024	**March 31, 2023**	**March 31, 2022**
	Income			
I	Revenue from operations	14,651.78	12,171.39	8,695.93
II	Other income	290.91	279.66	281.48
III	**Total income (I + II)**	**14,942.69**	**12,451.05**	**8,977.41**
IV	**Expenses**			
	Cost of material, chemicals & reagents consumed	4,232.97	4,271.75	2,695.91
	Changes in inventories of work-in-progress	224.33	(45.88)	(28.30)
	Employee benefits expense	4,949.05	4,172.86	3,089.70
	Finance costs	859.10	770.57	495.71
	Depreciation and amortisation expense	1,194.36	994.32	901.61
	Other expenses	2,390.54	2,123.35	1,725.83
	Total expenses (IV)	**13,850.35**	**12,286.97**	**8,880.46**
V	**Profit before tax (III - IV)**	**1,092.34**	**164.08**	**96.95**
VI	**Tax expense**			
	(i) Current tax	77.57	100.28	94.21
	(ii) Deferred tax	186.68	(36.09)	(59.52)
	Total tax expense (VI)	**264.25**	**64.19**	**34.69**
VII	**Profit after tax (V - VI)**	**828.09**	**99.89**	**62.26**
VIII	**Other comprehensive income**			
A.	(i) Items that will not be reclassified to profit or loss:			
	(a) Re-measurement of defined benefit plans	7.71	31.13	15.85
	(ii) Income-tax on items that will not be reclassified to profit or loss	(1.92)	(7.83)	(3.99)
		5.79	**23.30**	**11.86**
B.	(i) Items that will be reclassified to profit or loss:			
	(a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge	(7.89)	(11.70)	17.15
	(b) Exchange differences on translating foreign operations	10.33	27.80	20.75
	(ii) Income-tax on items that will be reclassified to profit or loss	1.99	(4.06)	(9.54)
		4.43	**12.04**	**28.36**
	Total other comprehensive income for the year, net of tax (A + B)	**10.22**	**35.34**	**40.22**
	Total comprehensive income for the year (VII + VIII)	**838.31**	**135.23**	**102.48**
IX	**Earnings per equity share (in absolute ₹ terms)**			
	Basic	4.57	0.55	0.35
	Diluted	4.53	0.55	0.34

SUMMARY OF RESTATED CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in ₹ millions)

Particulars	For the year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
Cash flow from operating activities			
Profit before tax	1,092.34	164.08	96.95
Adjustments for:			
Interest income	(135.97)	(106.64)	(70.50)
(Gain)/loss on sale of Property, plant and equipment, net	(0.10)	5.67	(113.15)
Unrealised foreign exchange gain	(44.42)	(30.05)	(18.80)
Depreciation and amortisation expense	1,194.36	994.32	901.61
Equity -settled share-based payments	22.53	8.14	22.41
Finance costs	859.10	770.57	495.71
Bad debts written off (net of recoveries)	62.04	67.96	7.43
Advances written off	10.72	-	-
Provision towards advances	13.66	-	-
Asset under CWIP written off	61.86	-	-
Provision towards doubtful trade receivables, net	15.90	11.52	53.73
Operating cash flows before working capital changes	**3,152.02**	**1,885.57**	**1,375.39**
(Increase)/decrease in other non-current assets	(76.38)	404.89	107.47
(Increase)/decrease in inventories	520.87	(126.17)	(505.64)
(Increase)/decrease in trade receivables	288.14	(450.79)	(432.45)
(Increase)/decrease in other current assets	(887.24)	236.07	(32.79)
(Increase)/decrease in other financial assets	37.62	(12.71)	19.95
Increase/(decrease) in trade payables	(91.16)	123.85	642.96
Increase/(decrease) in other financial liabilities & provisions	(21.58)	(47.11)	(25.17)
Increase/(decrease) in other non-current and current liabilities	(152.69)	221.23	(19.83)
Net cash generated from / (used in) operating activities	**2,769.60**	**2,234.83**	**1,129.89**
Income-taxes paid, net	(138.73)	(40.80)	(81.23)
Net cash generated from operating activities (A)	**2,630.87**	**2,194.03**	**1,048.66**
Cash flows from investing activities			
Purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors)	(1,816.90)	(1,130.75)	(2,069.14)
Proceeds from sale of property, plant and equipment	8.53	419.07	985.42
Investments in other entity	-	(18.52)	-
Movement in other bank balances	(1,187.19)	(20.72)	(46.93)
(Investment)/Redemption of Corporate deposits	950.00	(350.00)	5.00
Interest income received	121.75	83.11	88.51
Net cash used in investing activities (B)	**(1,923.81)**	**(1,017.81)**	**(1,037.14)**
Cash flows from financing activities			
Proceeds from issue of equity shares	9.67	20.91	31.25
Proceeds from / (Repayment of) current borrowings, net	248.93	(664.36)	739.39
Proceeds from non-current borrowings	750.00	300.00	1,001.48
Repayment of non-current borrowings	(667.28)	(532.76)	(316.25)
Interest portion of lease liabilities	(253.53)	(241.22)	(84.62)
Principal portion of lease liabilities	(441.05)	(345.23)	(235.95)
Interest paid	(599.73)	(543.82)	(416.07)
Net cash generated from/(used in) financing activities (C)	**(952.99)**	**(2,006.48)**	**719.23**
Net decrease in cash and cash equivalents during the year (A + B + C)	**(245.93)**	**(830.26)**	**730.75**
Effect of exchange differences on cash and cash equivalents held in foreign currency	10.33	27.80	20.75
Cash and cash equivalents at the beginning of the year	355.29	1,157.75	406.25
Cash and cash equivalents at the end of the year (Note 1 below)	**119.69**	**355.29**	**1,157.75**
Note 1:			
Cash and cash equivalents includes			
Cash on hand	0.12	0.28	0.12
Balances with banks	-	-	-
-in current accounts	143.60	78.25	592.68
-in book overdraft in bank accounts	(116.88)	(343.83)	(1.65)
-in cash credit accounts	92.85	320.59	566.60
-in deposits account	-	300.00	-
	119.69	**355.29**	**1,157.75**

GENERAL INFORMATION

Registered Office of our Company

Sai Life Sciences Limited
Plot no. DS-7, IKP Knowledge Park
Turkapally Village, Shameerpet Mandal
Medchal-Malkajgiri District 500 078
Telangana, India
Corporate Identity Number: U24110TG1999PLC030970
Registration Number: 030970

Corporate Office of our Company

Sai Life Sciences Limited
L4-01 & 02, SLN Terminus
Survey no. 133, Gachibowli Miyapur Road
Gachibowli, Hyderabad 500 0032
Telangana, India

For details of our incorporation and changes to the name and registered office of our Company, see "*History and Certain Corporate Matters*" beginning on page 183.

Address of the RoC

Our Company is registered with the RoC, situated at the following address:

Registrar of Companies, Telangana at Hyderabad
2nd Floor, Corporate Bhawan,
GSI Post, Nagole, Bandlaguda,
Hyderabad -500068
Telangana, India

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
Kanumuri Ranga Raju	Chairman and Whole-time Director	00043186	8-2-120/112/A/4, Road No. 9, Jubilee Hills, Hyderabad 500 033, Telangana, India
Krishnam Raju Kanumuri	Managing Director and Chief Executive Officer	00064614	Plot 984, Road 50, Ambedkar University, Jubilee Hills, Shaikpet, Hyderabad 500 033, Telangana, India
Mitesh Daga	Non-Executive Director (Nominee of TPG)	08189217	A-2401, 25 South, Yadav Patil Lane, Prabhadevi, Mumbai City 400 025, Maharashtra, India
Rajagopal Srirama Tatta	Independent Director	00988348	963 Barcarmil Way, Naples Florida 34110, U.S.A
Ramesh Ganesh Iyer	Independent Director	00220759	D-1502 Milano Tower Lodha Fiorenza, Western Express Highway, Near Hub mall, Goregaon East, Mumbai 400 063, Maharashtra, India
Suchita Sharma	Independent Director	10656028	B-3 3258, Near B3 Market, Vasant Kunj, South West Delhi, Delhi 110 070, India

For further details of our Directors, see "*Our Management*" beginning on page 190.

Company Secretary and Compliance Officer

Runa Karan is our Company Secretary, Compliance Officer and Legal Head. Her contact details are as set forth below:

Runa Karan
L4- 01 & 02, SLN Terminus
Survey no. 133, Gachibowli Miyapur Road
Gachibowli, Hyderabad 500 032
Telangana, India
Tel: +91 40 6815 6000
E-mail: investors@sailife.com

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: sailife.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: https://investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration Number: INM000008704

IIFL Securities Limited
24th Floor, One Lodha Place
Senapati Bapat Marg, Lower Parel (West)
Mumbai - 400 013
Maharashtra, India
Tel: + 91 22 4646 4728
E-mail: sailife.ipo@iiflcap.com
Investor Grievance ID: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Yogesh Malpani / Pawan Kumar Jain
SEBI Registration Number: INM000010940

Jefferies India Private Limited
Level 16, Express Towers
Nariman Point
Mumbai - 400 021
Maharashtra, India
Tel: +91 22 4356 6000
E-mail: SaiLife.IPO@jefferies.com
Investor Grievance ID: jipl.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Suhani Bhareja
SEBI Registration Number: INM000011443

Morgan Stanley India Company Private Limited
18th Floor, Tower 2, One World Centre
Plot 841, Jupiter Textile Mill Compound
Senapati Bapat Marg, Mumbai - 400 013
Maharashtra, India
Tel: +91 22 6118 1000
E-mail: sailifeipo@morganstanley.com
Investor Grievance ID: investors_india @morganstanley.com
Website: www.morganstanley.com/india
Contact Person: Sumit Kumar Agarwal
SEBI Registration Number: INM000011203

Legal Counsel to the Company as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower19,
Brunton Road, Off. M.G. Road,
Bengaluru 560 025
Karnataka, India
Tel: +91 80 67922000

Registrar to the Offer

KFin Technologies Limited
Selenium, Tower B, Plot No- 31 and 32
Financial District, Nanakramguda, Serilingampally
Hyderabad 500 032
Telangana, India
Tel: +91 40 6716 2222
E-mail: sailifesciences.ipo@kfintech.com
Investor Grievance ID: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M.Murali Krishna
SEBI Registration Number: INR000000221

Statutory Auditors to our Company

Deloitte Haskins & Sells LLP, Chartered Accountants
19th Floor, 46 - Prestige Trade Tower
Palace Road, High Grounds
Bengaluru 560 001
Karnataka, India
Email: skoushik@deloitte.com
Telephone: +91 80-6188 6152
Peer Review Certificate No.: 013179
Firm Registration No.: 117366W/W-100018

Changes in Auditors

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

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Sponsor Bank(s)

[●]

Bankers to our Company

Bank of Baroda
Mid Corporate Branch, 3-6-262/2
Tirumala Estates, 1st Floor, Himayatnagar
Hyderabad – 500 029
Telangana, India
Tel: 040-23421640/41
E-mail: indhyd@bankofbaroda.co.in
Website: https://www.bankofbaroda.in

Kotak Mahindra Bank Limited
2nd Floor, Jewel Pawani Tower,
Raj Bhavan Rd, Somajiguda
Hyderabad- 500082
Telangana, India
Tel: 040-6674 1362
E-mail: pravesh.tripathy@kotak.com
Website: https://www.kotak.com/en/home.html

ICICI Bank Limited
ICICI Bank Towers, Plot No. 12, Financial District, Nanakramguda,
Gachibowali, Hyderabad 500 032
Telangana, India
Tel: +91-040-4109 3089 / +91-86862 93089
E-mail: pavan.kumar22@icicibank.com
Website: www.icicibank.com

Syndicate Members

[●]

Filing

A copy of this Draft Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and pursuant to the SEBI ICDR Master Circular. It will be filed at:

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

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act, would be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act, through the electronic portal at www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Inter-se Allocation of Responsibilities among the Book Running Lead Managers

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

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 advertisements	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	IIFL
5.	Appointment of intermediaries - Registrar to the Offer, advertising agency, Banker(s) to the Offer, Sponsor Banks, printer and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	BRLMs	Jefferies
6.	Preparation of road show presentation	BRLMs	Morgan Stanley
7.	Preparation of frequently asked questions	BRLMs	Jefferies
8.	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 international road show and investor meeting schedule	BRLMs	Morgan Stanley
9.	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
10.	Non-Institutional and Retail marketing of the Issue, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.; • Finalizing collection centres; • Follow-up on distribution of publicity and issue material including form, RHP, Prospectus and deciding on the quantum of the issue material	BRLMs	IIFL
11.	Coordination with Stock Exchanges for book building software, bidding terminals, mock trading,	BRLMs	IIFL
12.	Anchor coordination, anchor CAN and intimation of anchor allocation	BRLMs	Kotak
13.	Managing the book and finalization of pricing in consultation with the Company and Selling Shareholder	BRLMs	Jefferies
14.	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.	BRLMs	IIFL

IPO Grading

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Monitoring Agency

In accordance with Regulation 41 of SEBI ICDR Regulations, our Company will appoint a monitoring agency to monitor utilization of the Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC. For details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 105.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

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.

Designated Intermediaries

Self-Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

SCSBs 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, SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, read with other applicable UPI Circulars, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, i.e., (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) for SCSBs and (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) for mobile applications, respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors and RIBs) submitted under the ASBA process 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 (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated 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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and 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 www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time and on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10, 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 www.bseindia.com/Static/PublicIssues/RtaDp.aspx and www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Experts to the Offer

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

Our Company has received written consent dated July 11, 2024 from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, 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 Auditors, and in respect of their (i) examination report dated July 10, 2024 on our Restated Consolidated Financial Information; and (ii) their report dated July 11, 2024 on the statement of possible special tax benefits available to the Company and its Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Further, our Company has received a written consent dated July 29, 2024 from Vishvakarma Consultancy Services Pvt. Ltd. to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Book Building Process

The Book Building Process, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms, if any, within the Price Band and the minimum Bid Lot which will be decided by our Company, in consultation with the BRLMs and will be advertised in all editions of [●] (a widely circulated English national daily newspaper), all editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Telugu daily newspaper, Telugu being the regional language of Telangana, 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 purposes of uploading on their respective websites. Pursuant to the Book Building Process, the Offer Price shall be determined by our Company, in consultation with the BRLMs after the Bid/Offer Closing Date.

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 only using the UPI Mechanism.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders 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, NIBs 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 on the Book Building Process and the method and process of Bidding, see *"Terms of the Offer", "Offer Procedure"* and "*Offer Structure*" on beginning on pages 334, 344 and 340, 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 final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

After determination of the Offer Price and allocation of Equity Shares, our Company and the Selling Shareholders intend to, prior to the filing of the Prospectus with the RoC, 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 which they shall subscribe to on account of rejection of bids, either by themselves or by procuring subscription, at a price which shall not be less than the Offer Price:

(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 determination of the Offer Price and Basis of Allotment and will be subject to the provisions of Regulation 40(3) of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board/ IPO committee, at its meeting held on [●], accepted and entered 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.

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 unless otherwise stated)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORISED SHARE CAPITAL**[1]		
	Equity Shares comprising:		
	239,000,000 Equity Shares of face value of ₹1 each	239,000,000	-
	Preference shares comprising:		
	600,000 OCPS of face value of ₹10 each	6,000,000	
	500,000 CCPS of face value of ₹10 each	5,000,000	-
	Total	**250,000,000**	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER AND PRIOR TO THE CONVERSION OF CCPS)**		
	Equity Shares comprising:		
	183,920,340 Equity Shares of face value of ₹1 each	183,920,340	-
	Preference shares comprising:		
	480,000 CCPS of face value of ₹10 each[2]	4,800,000	-
	Total	**188,720,340**	-
C.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL (BEFORE THE OFFER AND POST THE CONVERSION OF CCPS)** [2]		
	188,720,340 Equity Shares of face value of ₹1 each	188,720,340	[●]
D.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹[●] million[3][4]	[●]	[●]
	of which		
	Fresh Issue of up to [●] Equity Shares of face value of ₹1 each aggregating up to ₹8,000.00 million[3]	[●]	[●]
	Offer for Sale of up to 61,573,120 Equity Shares of face value of ₹1 each by the Selling Shareholders aggregating up to ₹[●] million[4]	[●]	[●]
	which includes		
	Employee Reservation Portion of up to [●] Equity Shares of face value of ₹1 each[5]	[●]	[●]
	Net Offer of up to [●] Equity Shares of face value of ₹1 each	[●]	[●]
E.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares of face value of ₹1 each	[●]	-
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	4,316,685,369.33	
	After the Offer	[●]	

* *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 183.*

(2) *480,000 CCPS of face value of ₹10 each shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations. The issued, subscribed and paid-up share capital of our Company will accordingly be updated at the time of filing of the updated Draft Red Herring Prospectus with SEBI. For details, see "History and Certain Corporate Matters – Shareholders' agreements and other agreements" on page 188.*

(3) *The Offer has been approved by our Board pursuant to the resolution passed at its meeting held on July 4, 2024 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on July 4, 2024. Further, our Board and our IPO Committee have taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to the resolutions passed in their meeting held on July 10, 2024 and July 12, 2024, respectively.*

(4) *Each Selling Shareholder, severally and not jointly, has specifically confirmed and approved its respective participation in the Offer for Sale and its respective eligibility to participate in the Offer for Sale in accordance with Regulation 8 of the SEBI ICDR Regulations. For details on the authorizations and consents of each of the Selling Shareholders in relation to their respective Offered Shares, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 53 and 319, respectively.*

(5) *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. Share capital history of our Company

(i) ***Equity share capital***

The history of the equity share capital of our Company is set forth in the table below:

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
January 28, 1999(1)	700	100 equity shares each were allotted to Nandyala Ravindra Varma, Prathima Kanumuri, Kanumuri Ranga Raju, Kanumuri Mytreyi, Dr. R S Raju, Anita Rudraraju Nandyala and R Ajay	10	10	Cash	Initial subscription to the Memorandum of Association	700	7,000
May 19, 1999	63,600	63,600 equity shares were allotted to Aruna Penmasta	10	10	Cash	Further issue	64,300	643,000
September 8, 1999	180,000	90,000 equity shares were allotted to Kanumuri Ranga Raju and 90,000 equity shares were allotted to N. Ravindra Varma	10	10	Cash	Further issue	244,300	2,443,000
November 12, 1999	43,300	43,300 equity shares were allotted to Aruna Penmasta	10	10	Cash	Further issue	287,600	2,876,000
February 28, 2001#	207,900	67,900 equity shares were allotted to Aruna Penmasta, 70,000 equity shares were allotted to Kanumuri Rangaraju HUF and 70,000 equity shares were allotted to Anita Rudraraju Nandyala	10	10	Cash	Preferential allotment	495,500	4,955,000
September 7, 2001#	28,900	14,300 equity shares were allotted to Kanumuri Rangaraju HUF and 14,600 equity shares were allotted to Anita Rudraraju Nandyala	10	10	Cash	Preferential allotment	5,24,400	5,244,000
August 16, 2002^	450,000	90,000 equity shares were allotted to Krishnam Raju Kanumuri, 40,000 equity shares were allotted to Prathima Kanumuri, 20,000 equity shares were allotted to Kanumuri Rangaraju HUF, 20,000 equity shares were allotted to N. Anjelica, 20,000 equity shares were allotted to N. Anisha (jointly held with Anita Rudraraju Nandyala), 110,000 equity shares were allotted to Anita Rudraraju Nandyala and 150,000 equity shares were allotted to Aruna Penmasta	10	10	Cash	Rights issue in the ratio of 9 equity shares for every 10 equity shares held	974,400	9,744,000
May 30, 2003^	280,000	10,000 equity shares were allotted to Krishnam Raju Kanumuri, 27,500 equity shares were allotted to Prathima Kanumuri, 25,000 equity shares were allotted to Kanumuri Ranga Raju, 45,000 equity shares were allotted to Kanumuri Rangaraju HUF, 32,500 equity shares were allotted to Kanumuri Mytreyi, 112,500 equity shares were allotted to Anita Rudraraju Nandyala, 12,500 equity shares were allotted to N. Anjelica and 15,000 equity shares were allotted to N. Anisha (jointly held with Anita Rudraraju Nandyala)	10	10	Cash	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	1,254,400	12,544,000
March 31, 2004	369,100	80,800 equity shares were allotted to Kanumuri Ranga Raju, 24,400 equity shares were allotted to Kanumuri Rangaraju HUF, 30,200 equity shares were allotted to Kanumuri Mytreyi, 93,500 equity shares were allotted to Anita Rudraraju Nandyala, 11,300 equity shares were allotted to N. Anjelica (jointly held with Anita Rudraraju Nandyala), 10,200 equity shares were allotted to N. Anisha (jointly held with Anita Rudraraju Nandyala), 10,000 equity shares were allotted to N. Suryakumari (jointly held with Dr. N. P. V. S. Raju), 10,000 equity shares were allotted to Dr. N. P. V. S. Raju (jointly held with N. Suryakumari) and 98,700 equity shares were allotted to Aruna Penmasta	10	10	Cash	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	1,623,500	16,235,000
April 1, 2004	333,300	283,300 equity shares were allotted to Gokaraju Subba Raju and 50,000 equity shares were allotted to Gokaraju Lakshmi Tanuja	10	30	Cash	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	1,956,800	19,568,000
July 1, 2004	303,900	146,000 equity shares were allotted to Ravindra Alluri (jointly held with Suryakumari Alluri), 100,000 equity shares were allotted to Kanuri Family Trust, 29,000 equity shares were allotted to Varma Penmetsa and 28,900 equity shares were allotted to Neelima Penmetsa	10	30	Cash	Rights issue in the ratio of 1 equity share for every 6 equity shares held	2,260,700	22,607,000
August 31, 2004	739,300	200,000 equity shares were allotted to Kanumuri Ranga Raju, 307,266 equity shares were allotted to Kanumuri Mytreyi, 56,334 equity shares were allotted to	10	10	Cash	Rights issue in the ratio of 4 equity	3,000,000	30,000,000

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
		Krishnam Raju Kanumuri, 111,700 equity shares were allotted to Prathima Kanumuri and 64,000 equity shares were allotted to Aruna Penmasta				shares for every 12 equity shares held		
October 21, 2004^	540,267	57,833 equity shares were allotted to Kanumuri Ranga Raju, 3,300 equity shares were allotted to Kanumuri Rangaraju HUF, 70,767 equity shares were allotted to Kanumuri Mytreyi, 15,867 equity shares were allotted to Prathima Kanumuri, 112,500 equity shares were allotted to Aruna Penmasta, 30,000 equity shares were allotted to K. V. Satyanarayana Raju and 250,000 equity shares were allotted to Sai Quest Syn Private Limited (at that time, Sai Quest Syn Limited)	10	10	Cash	Rights issue in the ratio of 2 equity shares for every 10 equity shares held	3,540,267	35,402,670
October 26, 2004	681,467	66,600 equity shares were allotted to Kanuri Family Trust, 100,000 equity shares were allotted to SRT Investments Private Limited, 250,000 equity shares were allotted to Krishnam Raju Kanumuri, 81,267 equity shares were allotted to Gokaraju Subba Raju, 20,000 equity shares were allotted to P. Sruthi (jointly held with P. Rajashree), 20,000 equity shares were allotted to P. Rajashree (jointly held with P. Trivikrama Prasad), 10,000 equity shares were allotted to P. Varalakshmi (jointly held with P. Trivikrama Prasad), 10,000 equity shares were allotted to D. Ashwin (jointly held with D. Ramaa), 67,000 equity shares were allotted to C. Ratnakumari, 3,300 equity shares were allotted to G. Prathibha Rao, 15,000 equity shares were allotted to Dr. Gangadhar Prasad Kilaru, 33,300 equity shares were allotted to Kilaru P. Prasad and 5,000 equity shares were allotted to R. Padma	10	30	Cash	Rights issue in the ratio of 2 equity shares for every 8 equity shares held	4,221,734	42,217,340
October 26, 2004	490,000	20,267 equity shares were allotted to Kanumuri Ranga Raju, 24,167 equity shares were allotted to Kanumuri Mytreyi, 15,833 equity shares were allotted to Prathima Kanumuri, 16,666 equity shares were allotted to Krishnam Raju Kanumuri, 15,467 equity shares were allotted to S. Prasad Raju, 22,000 equity shares were allotted to K. V. Satyanarayana Raju, 16,333 equity shares were allotted to G. Rama Krishnam Raju, 9,234 equity shares were allotted to K. Ramakrishnam Raju, 9,900 equity shares were allotted to K. Satyanarayana Raju, 16,000 equity shares were allotted to Kalidindi Bangarayamma, 13,667 equity shares were allotted to K. Krishnaveni, 6,933 equity shares were allotted to G. Venkata Bima Raju, 17,967 equity shares were allotted to G. Vimala Devi, 11,900 equity shares were allotted to V. Vijaya Kumari, 8,933 equity shares were allotted to Bapi Raju Kanumuri, 11,467 equity shares were allotted to K. Subba Raju, 5,000 equity shares were allotted to K. Venkata Narasamma, 9,100 equity shares were allotted to Bhupathi Raju Atchuta Ramakrishna Raju, 3,333 equity shares were allotted to G. Venkateswara Raju, 24,110 equity shares were allotted to K. Sunitha, 38,023 equity shares were allotted to K. Subba Raju, 6,900 equity shares were allotted to V. V. K. Appala Raju, 3,733 equity shares were allotted to Rama Krishnam Raju, 17,067 equity shares were allotted to K. V. S. Subba Raju, 17,067 equity shares were allotted to K. V. S. Ramachandra Raju, 6,833 equity shares were allotted to K Pandu Ranga Raju, 85,433 equity shares were allotted to Gokaraju Subba Raju, 4,166 equity shares were allotted to G. V. Siva Rama Raju, 1,667 equity shares were allotted to G. V. Siva Rama Raju HUF, 1,667 equity shares were allotted to G. Swathi, 2,500 equity shares were allotted to G. Sita Devi, 5,000 equity shares were allotted to K. Rajeswari,	10	NA	Other than Cash	Allotment pursuant to the Scheme of Amalgamation 2004	4,711,734	47,117,340

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
		5,000 equity shares were allotted to K. Radha Padma and 16,667 equity shares were allotted to Kalidindi Bangarayamma						
December 31, 2004	103,266	96,000 equity shares were allotted to Sai Quest Syn Private Limited (at that time, Sai Quest Syn Limited), 5,000 equity shares were allotted to P. Rama Mohan Rao and 2,266 equity shares were allotted to Kanumuri Rangaraju HUF	10	30	Cash	Rights issue in the ratio of 1 equity share for every 40 equity shares held	4,815,000	48,150,000
March 31, 2005	168,000	39,000 equity shares were allotted to Venkata R Alluri (jointly held with Sita D Alluri), 13,300 equity shares were allotted to Sujatha Alluri, 32,200 equity shares were allotted to Sita Alluri (jointly held with Venkata R Alluri), 36,700 equity shares were allotted to Nirmala Vegesna (jointly held with Suryanarayana R Vegesna), 13,800 equity shares were allotted to Kanumuri Mytreyi and 33,000 equity shares were allotted to Sameer Ashok Paigankar	10	30	Cash	Rights issue in the ratio of 1 equity shares for every 25 equity shares held	4,983,000	49,830,000
May 31, 2005	615,000	28,000 equity shares were allotted to Kanumuri Ranga Raju, 21,000 equity shares were allotted to Kanumuri Rangaraju HUF, 100,000 equity shares were allotted to Kanumuri Mytreyi, 211,000 equity shares were allotted to Krishnam Raju Kanumuri, 105,000 equity shares were allotted to Prathima Kanumuri, 30,000 equity shares were allotted to N. Ravindra Varma, 20,000 equity shares were allotted to N Suryakumari (jointly held with Dr. N. P. V. S. Raju), 20,000 equity shares were allotted to N. Anisha (jointly held with N. Ravindra Varma), 20,000 equity shares were allotted to N. Anjelica (jointly held with N. Ravindra Varma), 15,000 equity shares were allotted to N. Anisha (jointly held with N. P. V. S. Raju), 15,000 equity shares were allotted to N. Anjelica (jointly held with N. Suryakumari), 5,000 equity shares were allotted to V. Padmavathi, 5,000 equity shares were allotted to V. Karthik Varma (jointly held with V. Padmavathi) and 20,000 equity shares were allotted to K. V. Satyanarayana Raju	10	10	Cash	Preferential allotment	5,598,000	55,980,000
August 31, 2005	7,000	7,000 equity shares were allotted to Sameer Ashok Paigankar	10	30	Cash	Preferential allotment	5,605,000	56,050,000
September 28, 2005	520,000	100,000 equity shares were allotted to Krishnam Raju Kanumuri, 100,000 equity shares were allotted to Prathima Kanumuri, 20,000 equity shares were allotted to Anita Rudraraju Nandyala and 300,000 equity shares were allotted to Aruna Penmasta	10	10	Cash	Preferential allotment	6,125,000	61,250,000
February 7, 2006	1,965,850	480,450 equity shares were allotted to Dr. Robert M. Moriarty, 286,600 equity shares were allotted to Dr. Liang Guo, 78,000 equity shares were allotted to Sudarshan Tuladhar, 286,600 equity shares were allotted to Raju Penmasta, 185,200 equity shares were allotted to Ravindra Alluri, 11,000 equity shares were allotted to Neelima Penmesta, 7,000 equity shares were allotted to Varma H. S. Penmesta, 45,000 equity shares were allotted to Krishnam Raju Kanumuri, 100,000 equity shares were allotted to P. Ranga Raju, 16,000 equity shares were allotted to K. V. Satyanarayana Raju, 10,000 equity shares were allotted to N. Suryakumari (jointly held with N. P. V. S. Raju), 10,000 equity shares were allotted to V. Padmavathi, 69,000 equity shares were allotted to Anita Rudraraju Nandyala, 20,000 equity shares were allotted to N. Ravindra Varma, 64,000 equity shares were allotted to Kanumuri Ranga Raju, 20,000 equity shares were allotted to A. Viswanatha Raju, 30,000 equity shares were allotted to D. S. N. Raju, 30,000 equity shares were allotted to D. S. Laxmi, 40,000 equity shares	10	NA	Other than Cash	Allotment pursuant to the Scheme of Amalgamation 2006	8,090,850	80,908,500

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
		were allotted to P. Lakshmikanthamma, 20,000 equity shares were allotted to A. Vijaya Kumari, 2,000 equity shares were allotted to P. Rajeswari, 50,000 equity shares were allotted to Sai Quest Syn Private Limited (at that time, Sai Quest Syn Limited), 80,000 equity shares were allotted to A. Ajay Kumar, 5,000 equity shares were allotted to K. Sundar Raj and 20,000 equity shares were allotted to P. V. Narasimha Raju						
June 22, 2006^	60,000	4,000 equity shares were allotted to Rudra Prasad Singh (jointly held with Rekha Devi Singh), 15,000 equity shares were allotted to Narottam Puri Goswami (jointly held with Reeta Singh), 8,000 equity shares were allotted to Anand P. Shah (jointly held with Avani A. Shah), 6,000 equity shares were allotted to Susheel Jawahar Koul, 10,000 equity shares were allotted to Ashok Gajanan Paigankar (jointly held with Suneela Ashok Paigankar), 3,000 equity shares were allotted to Pratibha A. Paigankar (jointly held with Ajit R. Paigankar), 3,000 equity shares were allotted to Darshak Shah (jointly with Anjali D. Shah) and 11,000 equity shares were allotted to Sameer Paigankar	10	30	Cash	Preferential allotment	8,150,850	81,508,500
August 16, 2006	1,976,000	1,976,000 equity shares were allotted to Advantium LLC	10	32.75	Cash	Preferential allotment	10,126,850	101,268,500
November 12, 2006	243,842	243,842 equity shares were allotted to Advantium LLC	10	32.75	Cash	Preferential allotment	10,370,692	103,706,920
	672,000	336,000 equity shares were allotted to Kanumuri Ranga Raju, 112,000 equity shares were allotted to Krishnam Raju Kanumuri, 112,000 equity shares were allotted to N. Ravindra Varma and 112,000 equity shares were allotted to P. Ranga Raju	10	10	Cash	Allotment pursuant to conversion of warrants	11,042,692	110,426,920
April 29, 2008	1,903,819	1,903,819 equity shares were allotted to MPM Investment Mauritius	10	422.07	Cash	Preferential allotment	12,946,511	129,465,110
August 6, 2008	7,000	5,000 equity shares were allotted to Dr. Narendra K Triparthy and 2,000 equity shares were allotted to Dr. M Y Valli	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	12,953,511	129,535,110
September 23, 2009	55,000	55,000 equity shares were allotted to Dinesh Patel	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	13,008,511	130,085,110
January 22, 2010	92,689	92,689 equity shares were allotted to Kanumuri Ranga Raju	10	218	Cash	Allotment pursuant to conversion of warrants	13,101,200	131,012,000
June 2, 2011	7,000	5,000 equity shares were allotted to Alluri Srinivasa Raju and 2,000 equity shares were allotted to Srinivasa Rao Karra	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	13,108,200	131,082,000

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
September 28, 2011	25,000	5,000 equity shares were allotted to Vishnu Bhanudas Halnor, 3,000 equity shares were allotted to Dnyandeo B Pathare, 5,000 equity shares were allotted to P. V. Narasimha Raju, 2,000 equity shares were allotted to P. Raja Gopala Raju, 5,000 equity shares were allotted to D. V. S Appala Raju and 5,000 equity shares were allotted to M. V. V. Rajaswamy	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	13,133,200	131,332,000
	3,000	3,000 equity shares were allotted to Bhupathi Raju Atchuta Ramakrishna Raju	10	45	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2006	13,136,200	131,362,000
December 22, 2011	5,000	5,000 equity shares were allotted to Dr. S Sudhakar	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	13,141,200	131,412,000
June 18, 2012	3,000	3,000 equity shares were allotted to P Laxmi Narasimham	10	45	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2006	13,144,200	131,442,000
July 2, 2013	5,000	5,000 equity shares were allotted to BVNBS Sarma	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	13,149,200	131,492,000
February 20, 2014	50,000	50,000 equity shares were allotted to Gregory R Ludedtke	10	45	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2006	13,199,200	131,992,000
August 28, 2014	75,000	75,000 equity shares were allotted to Hitesh Patel	10	70	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2007	13,274,200	132,742,000

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
January 18, 2016	363,473	228,026 equity shares were allotted to Tata Capital Healthcare Fund I, 38,004 equity shares were allotted to Beta TC Holdings Pte Limited and 97,443 equity shares were allotted to HBM Private Equity India	10	334.95	Cash	Preferential allotment	13,637,673	136,376,730
March 21, 2016	342,037	49,405 equity shares were allotted to Tata Capital Growth Fund 1 and 292,632 equity shares were allotted to Alpha FDI Holdings PTE Limited	10	334.95	Cash	Preferential allotment	13,979,710	139,797,100
October 27, 2017	183,100	88,100 equity shares were allotted to Sivaramakrishnan Chittor, 25,000 equity shares were allotted to Damodharan S, 20,000 equity shares were allotted to BVNBS Sarma and 50,000 equity shares were allotted to Manjusha Joshi	10	83	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	14,162,810	141,628,100
	12,500	12,500 equity shares were allotted to Damodharan S	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	14,175,310	141,753,100
May 18, 2018	30,418	30,418 equity shares were allotted to Marcellus Johannes Velterop	10	116	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	14,205,728	142,057,280
March 29, 2019	2,161,000	2,009,730 equity shares were allotted to TPG Asia VII SF Pte Ltd and 151,270 equity shares were allotted to HBM Private Equity India	10	1,273	Cash	Preferential allotment	16,366,728	163,667,280
August 1, 2019	6,250	6,250 equity shares were allotted to Jagdish Viswanath Dore	10	1,273	Cash	Allotment pursuant to conversion of warrants	16,372,978	163,729,780
January 7, 2020	9,951	9,951 equity shares were allotted to Rajagopal Srirama Tatta	10	45	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2006	16,382,929	163,829,290
July 17, 2020	6,250	6,250 equity shares were allotted to Jagdish Viswanath Dore	10	1,273	Cash	Allotment pursuant to conversion of warrants	16,389,179	163,891,790
September 17, 2020	1,020,000	509,592 equity shares were allotted to Kanumuri Ranga Raju and 510,408 equity shares were allotted to Kanumuri Mytreyi	10	NA	Other than Cash	Allotment pursuant to the Scheme of Arrangement	17,409,179	174,091,790
January 4, 2021	11,900	11,900 equity shares were allotted to Sivaramakrishnan Chittor	10	83	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,421,079	174,210,790
	8,500	8,500 equity shares were allotted to Sivaramakrishnan Chittor	10	116	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,429,579	174,295,790
July 28, 2021	12,500	12,500 equity shares were allotted to Damodharan S	10	120	Cash	Allotment pursuant to exercise of employee	17,442,079	174,420,790

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
						stock options under ESOP 2008		
	12,500	12,500 equity shares were allotted to Damodharan S	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,454,579	174,545,790
	6,250	6,250 equity shares were allotted to Jagdish Viswanath Dore	10	1,273	Cash	Allotment pursuant to conversion of warrants	17,460,829	174,608,290
September 2, 2021	5,000	5,000 equity shares were allotted to A Rajender	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,465,829	174,658,290
October 26, 2021	25,000	25,000 equity shares were allotted to Dr. Dirk Walter Sartor	10	104	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,490,829	174,908,290
	3,928	3,928 equity shares were allotted to Jayant Bhalchandra Manmadkar	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,494,757	174,947,570
	20,000	20,000 equity shares were allotted to Damodharan S	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,514,757	175,147,570
November 24, 2021	16,500	16,500 equity shares were allotted to Sivaramakrishnan Chittor	10	116	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,531,257	175,312,570
	10,000	10,000 equity shares were allotted to Sivaramakrishnan Chittor	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,541,257	175,412,570
December 28, 2021	49	49 equity shares were allotted to Rajagopal Srirama Tatta	10	45	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2006	17,541,306	175,413,060
	15,000	15,000 equity shares were allotted to Rajagopal Srirama Tatta	10	83	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,556,306	175,563,060

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
July 21, 2022	6,250	6,250 equity shares were allotted to Jagdish Viswanath Dore	10	1,273	Cash	Allotment pursuant to conversion of warrants	17,562,556	175,625,560
September 22, 2022	15,000	15,000 equity shares were allotted to Sivaramakrishnan Chittor	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,577,556	175,775,560
November 30, 2022	25,000	25,000 equity shares were allotted to Muniandi Damodharan	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,602,556	176,025,560
March 8, 2023	10,000	10,000 equity shares were allotted to Muniandi Damodharan	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,612,556	176,125,560
	5,000	5,000 equity shares were allotted to Vodnala Neelakantam	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,617,556	176,175,560
	5,000	5,000 equity shares were allotted to Runa Karan	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,622,556	176,225,560
April 29, 2023	5,000	5,000 equity shares were allotted to Srikrishna Chopperla	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,627,556	176,275,560
	2,356	2,356 equity shares were allotted to Gaurav Kataria	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,629,912	176,299,120
December 20, 2023	17,014	17,014 equity shares were allotted to Michael Marotta	10	83	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,646,926	176,469,260
	1,108	1,108 equity shares were allotted to Michael Marotta	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,648,034	176,480,340
	2,000	2,000 equity shares were allotted to Achampeta Rathan Prasad	10	30	Cash	Allotment pursuant to exercise of employee stock options under	17,650,034	176,500,340

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
						erstwhile employee stock option plan 2004		
	3,000	3,000 equity shares were allotted to Achampeta Rathan Prasad	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,653,034	176,530,340
March 30, 2024	10,000	10,000 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,663,034	176,630,340
May 21, 2024	16,500	16,500 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,679,534	176,795,340
	20,000	20,000 equity shares were allotted to Sauri Gudlavalleti	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,699,534	176,995,340
June 4, 2024	10,000	10,000 equity shares were allotted to Sriram Gopalakrishnan	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,709,534	177,095,340
	5,000	5,000 equity shares were allotted to Srikrishna Chopperla	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,714,534	177,145,340
	12,500	12,500 equity shares were allotted to Rajesh V. Naik	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	17,727,034	177,270,340
	15,000	15,000 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	17,742,034	177,420,340
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, the authorised share capital of our Company was sub-divided from 20,300,000 equity shares of face value of ₹10 each to 203,000,000 Equity Shares of face value of ₹1 each. Further, issued, subscribed and paid-up capital of our Company was sub-divided from 17,742,034 equity shares of face value of ₹10 each to 177,420,340 Equity Shares of face value of ₹1 each								
July 4, 2024	500,000	500,000 Equity Shares were allotted to Fred Cohen	1	190	Cash	Preferential allotment	177,920,340	177,920,340

Date of allotment	Number of equity shares allotted	Details of allottees	Face value per equity share (in ₹)	Issue price per equity share (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital
	4,800,000	1,678,660 Equity Shares were allotted to Sunflower Partners, 719,420 Equity Shares were allotted to Lily Partners, 1,681,340 Equity Shares were allotted to Marigold Partners and 720,580 Equity Shares were allotted to Tulip Partners	1	NA	NA	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	182,720,340	182,720,340
	1,200,000	419,660 Equity Shares were allotted to Sunflower Partners, 179,860 Equity Shares were allotted to Lily Partners, 420,340 Equity Shares were allotted to Marigold Partners and 180,140 Equity Shares were allotted to Tulip Partners	1	NA	NA	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	183,920,340	183,920,340
Total							**183,920,340**	**183,920,340**

(1) *Our Company was incorporated on January 25, 1999. The date of subscription to the Memorandum of Association was January 11, 1999, and the allotment of equity shares of face value of ₹ 10 each, pursuant to such subscription was taken on record by our Board on January 28, 1999.*

\# *Our Company has filed the compounding application on non-filing of Form 23 in relation to these allotments. For further details, see "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC or there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 29.*

^ *Our Company has filed the compounding application on account of factual inaccuracies made while filing of Form 2 in relation to these allotments. For further details, see "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC or there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 29.*

Preference share capital

The history of the preference share capital of our Company is set forth in the table below:

(a) ***Compulsorily convertible preference share capital***

Date of allotment of CCPS	Number of CCPS allotted	Details of allottees	Face value per CCPS (in ₹)	Issue price per CCPS (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of CCPS	Cumulative paid-up CCPS capital
September 17, 2020	480,000	239,808 CCPS were allotted to Kanumuri Ranga Raju and 240,192 CCPS were allotted to Kanumuri Mytreyi	10	244.54^	Cash^	Allotment pursuant to the Scheme of Arrangement	480,000	4,800,000
July 4, 2024	(480,000)	1,678,660 Equity Shares were allotted to Sunflower Partners, 719,420 Equity Shares were allotted to Lily Partners, 1,681,340 Equity Shares were allotted to Marigold Partners and 720,580 Equity Shares were allotted to Tulip Partners	10	NA	NA	Conversion of CCPS to Equity Shares of face value of ₹ 1 each	Nil	Nil
	480,000	167,866 OCPS held by Sunflower Partners was re-classified into 167,866 CCPS, 71,942 OCPS held by Lily Partners was re-classified into 71,942 CCPS, 168,134 OCPS held by Marigold Partners was re-classified into 168,134 CCPS and 72,058 OCPS held by Tulip Partners was re-classified into 72,058 CCPS	10	NA	NA	Re-classification of OCPS into CCPS#	480,000	4,800,000
Total							**480,000**	**4,800,000**

^ *Pursuant to an order of NCLT, Hyderabad dated August 18, 2020, as consideration for the Scheme of Arrangement, partly paid-up CCPS of face value of ₹10 each were allotted to the shareholders of Sai Quest Syn Private Limited up to the extent of ₹8.06 per CCPS towards face value. Further, ₹1.94 per CCPS towards face value and ₹242.60 per CCPS towards premium amount was paid at the time of call on June 11, 2024. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up CCPS.*

Pursuant to the resolutions passed by our Board on June 11, 2024 and our Shareholders on July 4, 2024, 480,000 OCPS of face value of ₹10 each were reclassified to 480,000 CCPS of face value of ₹10 each. For further details, please see " – Share capital history of our Company – (ii) Preference share capital" on page 76.

Terms of conversion of Preference shares

As on the date of this Draft Red Herring Prospectus, there are 480,000 CCPS of face value of ₹10 each that are outstanding, and such CCPS shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.

The details of outstanding CCPS allotted by our Company are set forth in the table below:

Date of acquisition^	Name of the shareholder	Number of CCPS acquired	Conversion ratio	Number of equity shares to be allotted post conversion	Acquisition price per CCPS (in ₹)^	Estimated price per Equity Share (based on conversion) (in ₹)
July 4, 2024	Sunflower Partners	167,866	1:10	1,678,660	NA	NA
	Lily Partners	71,942	1:10	719,420	NA	NA
	Marigold Partners	168,134	1:10	1,681,340	NA	NA
	Tulip Partners	72,058	1:10	720,580	NA	NA

^ *The CCPS were acquired pursuant to re-classification of the OCPS into CCPS pursuant to resolutions passed by our Board on June 11, 2024 and our Shareholders on July 4, 2024.*

(b) ***Optionally convertible preference share capital***

While our Company does not have any outstanding optionally convertible preference shares as on the date of this Draft Red Herring Prospectus, the history of the optionally convertible preference share capital of our Company is set forth in the table below:

Date of allotment of OCPS	Number of OCPS allotted	Details of allottees	Face value per OCPS (in ₹)	Issue price per OCPS (in ₹)	Nature of consideration	Nature of allotment	Cumulative number of OCPS	Cumulative paid-up OCPS capital
September 17, 2020	600,000	299,760 OCPS were allotted to Kanumuri Ranga Raju and 300,240 OCPS were allotted to Kanumuri Mytreyi	10	244.54^	Cash^	Allotment pursuant to the Scheme of Arrangement	600,000	6,000,000
July 4, 2024	(120,000)	419,660 Equity Shares were allotted to Sunflower Partners, 179,860 Equity Shares were allotted to Lily Partners, 420,340 Equity Shares were allotted to Marigold Partners and 180,140 Equity Shares were allotted to Tulip Partners	10	NA	NA	Conversion of OCPS to Equity Shares of face value of ₹ 1 each	480,000	4,800,000
	(480,000)	167,866 OCPS held by Sunflower Partners was re-classified into 167,866 CCPS, 71,942 OCPS held by Lily Partners was re-classified into 71,942 CCPS, 168,134 OCPS held by Marigold Partners was re-classified into 168,134 CCPS and 72,058 OCPS held by Tulip Partners was re-classified into 72,058 CCPS	10	NA	NA	Re-classification of OCPS into CCPS	-	-
Total							**Nil**	**Nil**

^ *Pursuant to an order of NCLT, Hyderabad dated August 18, 2020, as consideration for the Scheme of Arrangement, partly paid-up OCPS of face value of ₹10 each were allotted to the shareholders of Sai Quest Syn Private Limited up to the extent of ₹8.06 per OCPS towards face value. Further, ₹1.94 per OCPS towards face value and ₹242.60 per OCPS towards premium amount was paid at the time of call on June 11, 2024. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding OCPS.*

Our Company has made the abovementioned issuances and allotments of securities in compliance with the applicable provisions of the Companies Act, 1956 and Companies Act, 2013, to the extent applicable.

Except as disclosed below and in " – *Build-up of the Equity shareholding of our Promoters in our Company*" on page 83, there has been no acquisition or transfer of securities through secondary transactions by our Promoters, Selling Shareholders and members of the Promoter Group, as on the date of this Draft Red Herring Prospectus:

Date of transfer	Name of transferor	Names of transferee	Number of equity shares transferred	Nature of consideration	Face value per equity share (₹)	Transfer price per equity share (₹)
Selling Shareholders						
May 5, 2007	Bhupathi Raju Atchuta Ramakrishna Raju	K. Kalyan	4,100	Cash	10	25
July 31, 2007	A. Ajay Kumar	Venkata Narasimha Sastry Renduchintala	500	Cash	10	50
January 17, 2008	Bharathi Srivari	G Swati	500	Cash	10	50
		Ch L Narasimha Rao	2,500	Cash	10	50
October 16, 2014	K. Rajeswari	K Pandu Ranga Raju	5,000	Gift	10	Nil
January 18, 2016	Bharathi Srivari	Tata Capital Healthcare Fund 1	27,258	Cash	10	277.27
	Anita Rudraraju Nandyala		273,258			
	MPM Investment Mauritius	HBM Private Equity India	807,019	Cash	10	277.27
July 25, 2018	Tata Capital Healthcare Fund	TPG Asia VII SF Pte Ltd	2,082,917	Cash	10	1,272.56
	Tata Capital Growth Fund 1		458,579	Cash	10	
	Beta TC Holdings Pte Limited		352,753	Cash	10	
	Alpha FDI Holdings Pte Limited		2,716,201	Cash	10	
July 6, 2019	Ravindra Varma	Anita Rudraraju Nandyala	202,000	Gift	10	Nil
Members of the Promoter Group						
December 31, 2004	Kanumuri Rangaraju HUF	M. Madhavi	5,000	Cash	10	10
May 5, 2007	Bapi Raju Kanumuri	K. V. Satyanarayana Raju	8,933	Cash	10	10
July 31, 2007	P Lakshmi Kantamma	Prathima Kanumuri	10,000	Cash	10	50
		Sai International	10,000	Cash	10	50
December 11, 2007	Sai International	D. A. Uma Devi	2,500	Cash	10	50
		Rajeswari	2,500			
January 17, 2008	Bharathi Srivari	Prathima Kanumuri	7,000	Cash	10	50
September 8, 2011	P. Rajeshwari	Gokaraju Subba Raju	2,000	Cash	10	200
	Neelima Penmetsa		11,000			
			28,900			
	P. Ranga Raju		112,000			
			80,000			
September 28, 2011	Aruna Penmasta	Kanumuri Sudha	50,000	Cash	10	200
October 31, 2012	Robert M. Moriarty	Gokaraju Lakshmi Tanuja	80,121	Cash	10	150
August 28, 2014	Kalidindi Bangarayamma	K. Anuradha	16,000	Gift	10	Nil
	G Swati	Venkatasivarama Raju Gokaraju	1,667	Gift	10	Nil
			500			
December 17, 2015	Liang Guo	Kanumuri Rangaraju HUF	17,333	Cash	10	149.76
	Aruna Penmasta	Continental Wines Private Limited	1,967	Cash	10	277.27
	Darshak Shah (jointly with Anjali D. Shah)	Gokaraju Subba Raju	2,044	Cash	10	277.27
	Suneela Ashok Paigankar (jointly held with Ashok Gajanan Paigankar)		2,044			
	Susheel Jawahar Koul		4,089			
	D. A. Uma Devi		1,704			
	Rajeswari		1,704			
	Mantenne Neelima		681			
	Mantenne Venkata Raju		1,022			
	Sagi Shalini Raju		1,704			
	P. Rajashree (jointly held with P. Trivikrama Prasad)		5,704			
			667			
			13,629			
	P. Sruthi (jointly held with P. Rajashree)		5,704			
			667			
			13,629			
	P. Varalakshmi (jointly held with P. Trivikrama Prasad)		2,852			
			334			
			6,814			
	G. Prathibha Rao		941			
			110			
			2,249			

Date of transfer	Name of transferor	Names of transferee	Number of equity shares transferred	Nature of consideration	Face value per equity share (₹)	Transfer price per equity share (₹)
	Sita D Alluri (jointly held with Venkata R Alluri)		21,942			
	Sujatha Alluri		26,576			
			9,063			
	Nirmala Vegesna (jointly held with Suryanarayan Raju Vegesna)		25,009			
	K. V. S. Ramachandra Raju		11,630			
	K. V. S. Subba Raju		11,630			
	Dinesh Patel		10,222			
	Narendra K Tripathy		3,407			
	Lakshminarasimham Sastry		2,044			
	M. V. V. Rajaswamy		3,407			
	Vishnu Bhanudas Halnor		3,407			
	Kosuri Sunita		14,376			
	Robert M. Moriarty		1			
	M. Madhavi		3,407			
	P. Rama Mohan Rao		3,407			
	D. V. S. Appala Raju		3,407			
November 1, 2016	Ravindra Alluri	Gokaraju Subba Raju	33,603	Cash	10	277.27

2. Offer of specified securities at a price lower than the Offer Price in the last year

(a) Except as disclosed below, our Company has not issued any equity shares at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus.

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason for allotment	Part of Promoter Group
December 20, 2023	17,014	17,014 equity shares were allotted to Michael Marotta	10	83	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	No
	1,108	1,108 equity shares were allotted to Michael Marotta	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	No
	2,000	2,000 equity shares were allotted to Achampeta Rathan Prasad	10	30	Cash	Allotment pursuant to exercise of employee stock options under erstwhile employee stock option plan 2004	No
	3,000	3,000 equity shares were allotted to Achampeta Rathan Prasad	10	120	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	No
March 30, 2024	10,000	10,000 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	No
May 21, 2024	16,500	16,500 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	No
	20,000	20,000 equity shares were allotted to Sauri Gudlavalleti	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	No
June 4, 2024	10,000	10,000 equity shares were allotted to Sriram Gopalakrishnan	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under	No

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason for allotment	Part of Promoter Group
						Management ESOP 2018	
	5,000	5,000 equity shares were allotted to Srikrishna Chopperla	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	No
	12,500	12,500 equity shares were allotted to Rajesh V. Naik	10	1,273	Cash	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	No
	15,000	15,000 equity shares were allotted to Sivaramakrishnan Chittor	10	284	Cash	Allotment pursuant to exercise of employee stock options under ESOP 2008	No
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each.							
July 4, 2024	500,000	500,000 Equity Shares were allotted to Fred Cohen	1	190	Cash	Preferential allotment	No
	4,800,000	1,678,660 Equity Shares were allotted to Sunflower Partners, 719,420 Equity Shares were allotted to Lily Partners, 1,681,340 Equity Shares were allotted to Marigold Partners and 720,580 Equity Shares were allotted to Tulip Partners	1	NA	NA	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	Yes
	1,200,000	419,660 Equity Shares were allotted to Sunflower Partners, 179,860 Equity Shares were allotted to Lily Partners, 420,340 Equity Shares were allotted to Marigold Partners and 180,140 Equity Shares were allotted to Tulip Partners	1	NA	NA	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	Yes

(b) Our Company has not issued any CCPS at a price that may be lower than the Offer Price during the last one year preceding the date of this Draft Red Herring Prospectus. For details in relation to re-classification of OCPS of face value ₹10 each into CCPS of face value ₹10 each, please see "- *Share capital history of our Company – (i) Preference share capital*" on page 76.

3. Offer of shares for consideration other than cash or out of revaluation reserves

(i) As on the date of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares or CCPS out of revaluation reserves since its incorporation.

(ii) Except as disclosed below, our Company has not issued any Equity Shares for consideration other than cash as on the date of this Draft Red Herring Prospectus. For further details, see "- *Share capital history of our Company – (i) Equity Share capital*" on page 66 and "*History and Certain Corporate Matters – Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years*" on page 186.

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
October 26, 2004	490,000	20,267 equity shares were allotted to Kanumuri Ranga Raju, 24,167 equity shares were allotted to Kanumuri Mytreyi, 15,833 equity shares were allotted to Prathima Kanumuri, 16,666 equity shares were allotted to Krishnam Raju Kanumuri, 15,467 equity shares were allotted to S. Prasad Raju, 22,000 equity shares were allotted to K. V. Satyanarayana Raju, 16,333 equity shares were allotted to G. Rama Krishnam Raju, 9,234 equity shares were allotted to K. Ramakrishnam Raju, 9,900 equity shares were allotted to K. Satyanarayana Raju, 16,000 equity shares were allotted to Kalidindi Bangarayamma, 13,667 equity shares were allotted to K. Krishnaveni, 6,933 equity shares were allotted to G. Venkata Bima Raju, 17,967 equity shares were allotted to G. Vimala Devi, 11,900 equity shares were allotted to V. Vijaya Kumari, 8,933 equity shares were allotted to Bapi Raju Kanumuri, 11,467 equity shares were allotted to K. Subba Raju, 5,000 equity shares were allotted to K. Venkata Narasamma, 9,100 equity shares were allotted to Bhupathi Raju Atchuta Ramakrishna Raju, 3,333 equity shares were allotted to G. Venkateswara Raju, 24,110 equity shares were allotted to K. Sunitha, 38,023 equity shares were allotted to K. Subba Raju, 6,900 equity shares were allotted to V. V. K. Appala Raju, 3,733 equity shares were allotted to Rama Krishnam Raju, 17,067 equity shares were allotted to K. V. S. Subba Raju, 17,067 equity shares were allotted to K. V. S. Ramachandra Raju, 6,833 equity shares were allotted to K Pandu Ranga Raju, 85,433 equity shares were allotted to Gokaraju Subba Raju, 4,166 equity shares were allotted to G. V. Siva Rama Raju, 1,667 equity shares were allotted to G. V. Siva Rama Raju HUF, 1,667 equity shares were allotted to G. Swathi, 2,500 equity shares were allotted to G. Sita Devi, 5,000 equity shares were allotted to K. Rajeswari, 5,000 equity shares were allotted to K. Radha Padma and 16,667 equity shares were allotted to Kalidindi Bangarayamma	10	NA	Allotment pursuant to the Scheme of Amalgamation 2004	Pursuant to the Scheme of Amalgamation 2004, Prasad Drugs Limited was merged into our Company
February 7, 2006	1,965,850	480,450 equity shares were allotted to Robert M. Moriarty, 286,600 equity shares were allotted to Liang Guo, 78,000 equity shares were allotted to Sudarshan Tuladhar, 286,600 equity shares were allotted to Raju Penmasta, 185,200 equity shares were allotted to Ravindra Alluri, 11,000 equity shares were allotted to Neelima Penmesta, 7,000 equity	10	NA	Allotment pursuant to the Scheme of Amalgamation 2006	Pursuant to the Scheme of Amalgamation 2006, Merrifield Pharma Private Limited was merged into our Company

Date of allotment of equity shares	Number of equity shares allotted	Details of allottees	Face value per equity share (₹)	Issue price per equity share (₹)	Reason for allotment	Benefits accrued to our Company
		shares were allotted to Varma H. S. Penmesta, 45,000 equity shares were allotted to Krishnam Raju Kanumuri, 100,000 equity shares were allotted to P. Ranga Raju, 16,000 equity shares were allotted to K. V. Satyanarayana Raju, 10,000 equity shares were allotted to N. Suryakumari (jointly held with N. P. V. S. Raju), 10,000 equity shares were allotted to V. Padmavathi, 69,000 equity shares were allotted to Anita Rudraraju Nandyala, 20,000 equity shares were allotted to N. Ravindra Varma, 64,000 equity shares were allotted to Kanumuri Ranga Raju, 20,000 equity shares were allotted to A. Vishwanatha Raju, 30,000 equity shares were allotted to D. S. N. Raju, 30,000 equity shares were allotted to D. S. Laxmi, 40,000 equity shares were allotted to P. Lakshmikanthamma, 20,000 equity shares were allotted to A. Vijaya Kumari, 2,000 equity shares were allotted to P. Rajeswari, 50,000 equity shares were allotted to Sai Quest Syn Private Limited (at that time, Sai Quest Syn Limited), 80,000 equity shares were allotted to A. Ajay Kumar, 5,000 equity shares were allotted to K. Sundar Raj and 20,000 equity shares were allotted to P. V. Narasimha Raju				
September 17, 2020	1,020,000	509,592 equity shares were allotted to Kanumuri Ranga Raju and 510,408 equity shares were allotted to Kanumuri Mytreyi	10	NA	Allotment pursuant to the Scheme of Arrangement	Pursuant to the Scheme of Arrangement, the demerged business undertaking (as described in "*History and Certain Corporate Matters*" on page 183) of Sai Quest Syn Private Limited was merged into our Company, on a going concern basis

(iii) Except as disclosed below, our Company has not issued any CCPS for consideration other than cash as on the date of this Draft Red Herring Prospectus:

Date of allotment of CCPS	Number of CCPS allotted	Details of allottees	Face value per CCPS (₹)	Issue price per CCPS (₹)	Reason for allotment	Benefits accrued to our Company
September 17, 2020	480,000	239,808 CCPS were allotted to Kanumuri Ranga Raju and 240,192 CCPS were allotted to Kanumuri Mytreyi	10	244.54^	Allotment pursuant to the Scheme of Arrangement	Pursuant to the Scheme of Arrangement, the demerged business undertaking (as described in "*History and Certain Corporate Matters*" on page 183) of Sai Quest Syn Private Limited was merged into our Company, on a going concern basis

^ *Pursuant to an order of NCLT, Hyderabad dated August 18, 2020, as consideration for the Scheme of Arrangement, partly paid-up CCPS of face value of ₹10 each were allotted to the shareholders of Sai Quest Syn Private Limited up to the extent of ₹8.06 per CCPS towards face value. Further, ₹1.94 per CCPS towards face value and ₹242.60 per CCPS towards premium amount was paid at the time of call on June 11, 2024. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up CCPS.*

4. Offer of shares pursuant to schemes of arrangement

Except as disclosed under " – *Offer of shares for consideration other than cash or out of revaluation reserves*" on page 80, our Company has not allotted any Equity Shares or CCPS pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013. For further details, see "- *Share capital history of our Company – (i) Equity Share capital*" on page 66.

5. History of the share capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Individual Promoters, our Corporate Promoter and our Other Promoters hold 3,175,000 Equity Shares, 10,762,480 Equity Shares and 47,758,680 Equity Shares, respectively, aggregating to 61,696,160 Equity Shares.

Assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each prior to filing of the updated Draft Red Herring Prospectus with SEBI, our Promoters shareholding as on the date of this Draft Red Herring Prospectus aggregates to 66,496,160 Equity Shares, equivalent to 34.64% of the issued, subscribed and paid-up pre-Offer Equity Share capital of our Company on a fully diluted basis. The details regarding our Promoters' shareholding are set forth in the table below.

(a) Build-up of the Equity shareholding of our Promoters in our Company

The details regarding the build-up of the Equity shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
Kanumuri Ranga Raju							
January 25, 1999	100	Allotment pursuant to initial subscription to the Memorandum of Association	Cash	10	10	Negligible	[●]
September 8, 1999	90,000	Further issue	Cash	10	10	0.47	[●]
May 30, 2003	25,000	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	Cash	10	10	0.13	[●]
March 31, 2004	80,800	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	Cash	10	10	0.42	[●]
August 31, 2004	200,000	Rights issue in the ratio of 2 equity shares for every 10 equity shares held	Cash	10	10	1.04	[●]
October 21, 2004^	57,833	Rights issue in the ratio of 2 equity shares for every 8 equity shares held	Cash	10	10	0.30	[●]
October 26, 2004	20,267	Allotment pursuant to the Scheme of Amalgamation 2004	Other than Cash	10	NA	0.11	[●]
May 31, 2005	28,000	Preferential allotment	Cash	10	10	0.15	[●]
September 28, 2005	(200,000)	Transfer of 200,000 equity shares to Bharathi Srivari	Cash	10	10	(1.04)	[●]
February 7, 2006	64,000	Allotment pursuant to the Scheme of Amalgamation 2006	Other than Cash	10	NA	0.33	[●]
September 13, 2006	(90,000)	Transfer of 90,000 equity shares to Kanumuri Rangaraju HUF	Gift	10	Nil	(0.47)	[●]
November 12, 2006	336,000	Allotment pursuant to conversion of warrants	Cash	10	10	1.75	[●]
November 6, 2008	500	Transfer of 500 equity shares from Y Usha	Cash	10	200	Negligible	[●]
September 23, 2009	20,000	Transfer of 20,000 equity shares from P. Ranga Raju	Cash	10	150	0.10	[●]
January 22, 2010	92,689	Allotment pursuant to conversion of warrants	Cash	10	218	0.48	[●]
September 3, 2010	(13,761)	Transfer of 13,761 equity shares to Sai Quest Syn Private Limited (at that time, Sai Quest Syn Limited)	Cash	10	218	(0.07)	[●]
	(22,936)	Transfer of 22,936 equity shares to Chemrich Fine Chemicals Private Limited	Cash	10	218	(0.12)	[●]
April 25, 2011	500	Transfer of 500 equity shares from N Vijay Chandar	Cash	10	200	Negligible	[●]
	10,000	Transfer of 10,000 equity shares from Bharathi Srivari	Cash	10	200	0.05	[●]
August 9, 2011	2,500	Transfer of 2,500 equity shares from Ch L Narasimha Rao	Cash	10	200	0.01	[●]
September 28, 2011	50,000	Transfer of 50,000 equity shares from Aruna Penmasta	Cash	10	200	0.26	[●]
September 16, 2013	3,000	Transfer of 3,000 equity shares from Dnyandeo B Pathare	Cash	10	150	0.02	[●]
October 16, 2014	25,000	Transfer of 25,000 equity shares from Gregory R Ludedtke	Cash	10	125	0.13	[●]
December 17, 2015	3,186	Transfer of 3,186 equity shares from Ashok Gajanan Paigankar (jointly held with Suneela Ashok Paigankar)	Cash	10	149.76	0.02	[●]
	956	Transfer of 956 equity shares from Suneela Ashok Paigankar (jointly held with Ashok Gajanan Paigankar)	Cash	10	149.76	Negligible	[●]
	956	Transfer of 956 equity shares from Darshak Shah (jointly held with Anjali D. Shah)	Cash	10	149.76	Negligible	[●]
	1,911	Transfer of 1,911 equity shares from Susheel Jawahar Koul	Cash	10	149.76	0.01	[●]
	796	Transfer of 796 equity shares from D. A. Uma Devi	Cash	10	149.76	Negligible	[●]
	796	Transfer of 796 equity shares from Sagi Rajeswari	Cash	10	149.76	Negligible	[●]
	319	Transfer of 319 equity shares from Mantenne Neelima	Cash	10	149.76	Negligible	[●]
	478	Transfer of 478 equity shares from Mantenne Venkata Raju	Cash	10	149.76	Negligible	[●]
	796	Transfer of 796 equity shares from Sagi Shalini Raju	Cash	10	149.76	Negligible	[●]
	10,258	Transfer 10,258 equity shares from Sita D Alluri (jointly held with Venkata R Alluri)	Cash	10	149.76	0.05	[●]
	16,661	Transfer of 16,661 equity shares from Sujatha Alluri	Cash	10	149.76	0.09	[●]
	11,691	Transfer of 11,691 equity shares from Nirmala Vegesna (jointly held with Suryanarayan Raju Vegesna)	Cash	10	149.76	0.06	[●]
	5,437	Transfer of 5,437 equity shares from K. V. S. Ramachandra Raju	Cash	10	149.76	0.03	[●]

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
	5,437	Transfer of 5,437 equity shares from K. V. S. Subba Raju	Cash	10	149.76	0.03	[●]
	4,778	Transfer of 4,778 equity shares from Dinesh Patel	Cash	10	149.76	0.02	[●]
	1,593	Transfer of 1,593 equity shares from Narendra K Tripathy	Cash	10	149.76	0.01	[●]
	1,593	Transfer of 1,593 equity shares from Vishnu Bhanudas Halnor	Cash	10	149.76	0.01	[●]
	5,000	Transfer of 5,000 equity shares from Bhupathi Raju Atchuta Ramakrishna Raju	Cash	10	149.76	0.03	[●]
	3,217	Transfer of 3,217 equity shares from G. Vimala Devi	Cash	10	149.76	0.02	[●]
	3,341	Transfer of 3,341 equity shares from K. Anuradha	Cash	10	149.76	0.02	[●]
	4,100	Transfer of 4,100 equity shares from K. Kalyan	Cash	10	149.76	0.02	[●]
	18,023	Transfer of 18,023 equity shares from Kosuri Subba Raju	Cash	10	149.76	0.09	[●]
	3,733	Transfer of 3,733 equity shares from S. Ramakrishnam Nishant Varma	Cash	10	149.76	0.02	[●]
	15,467	Transfer of 15,467 equity shares from S. Prasad Raju	Cash	10	149.76	0.08	[●]
	50,957	Transfer of 50,957 equity shares from David M. Moriarty	Cash	10	149.76	0.27	[●]
	12,742	Transfer of 12,742 equity shares from Bharathi Srivari	Cash	10	149.76	0.07	[●]
	1,593	Transfer of 1,593 equity shares from M. Madhavi	Cash	10	149.76	0.01	[●]
	1,593	Transfer of 1,593 equity shares from P. Rama Mohan Rao	Cash	10	149.76	0.01	[●]
	1,593	Transfer of 1,593 equity shares from D. V. S. Appala Raju	Cash	10	149.76	0.01	[●]
	1,593	Transfer of 1,593 equity shares from M. V. V. Rajaswamy	Cash	10	149.76	0.01	[●]
	6,371	Transfer of 6,371 equity shares from P. Lakshmikanthamma	Cash	10	149.76	0.03	[●]
	9,557	Transfer of 9,557 equity shares from A. Ajay Kumar	Cash	10	149.76	0.05	[●]
	6,371	Transfer of 6,371 equity shares from A. Vijaya Kumari	Cash	10	149.76	0.03	[●]
	3,186	Transfer of 3,186 equity shares from A. Viswanatha Raju	Cash	10	149.76	0.02	[●]
	18,634	Transfer of 18,634 equity shares from Liang Guo	Cash	10	149.76	0.10	[●]
	106,475	Transfer of 106,475 equity shares from Aruna Penmasta	Cash	10	149.76	0.55	[●]
	956	Transfer of 956 equity shares from Lakshminarasimham	Cash	10	149.76	Negligible	[●]
April 6, 2016	8,000	Transfer of 8,000 equity shares from Avani A. Shah (jointly held with Anand Shah)	Cash	10	225	0.04	[●]
	5,000	Transfer of 5,000 equity shares from S Sudhakar	Cash	10	225	0.03	[●]
	2,000	Transfer of 2,000 equity shares from M Y Valli	Cash	10	225	0.01	[●]
June 18, 2020	5,000	Transfer of 5,000 equity shares from Sai International	Gift	10	Nil	0.03	[●]
September 17, 2020	509,592	Allotment pursuant to the Scheme of Arrangement	Other than Cash	10	NA	2.65	[●]
March 31, 2021	(784,015)	Transfer of 784,015 equity shares to Sunflower Partners	Other than Cash (contribution towards the capital of Sunflower Partners)	10	88.07	(4.08)	[●]
	(356,714)	Transfer of 356,714 equity shares to Sunflower Partners	Gift	10	Nil	(1.86)	[●]
	(357,621)	Transfer of 357,621 equity shares to Lily Partners	Other than Cash (contribution towards the capital of Lily Partners)	10	185.02	(1.86)	[●]
	(152,878)	Transfer of 152,878 equity shares to Lily Partners	Gift	10	Nil	(0.80)	[●]
December 27, 2022	14,000	Transfer of 14,000 equity shares from Bharathi Srivari	Cash	10	700	0.07	[●]
April 4, 2024	2,500	Transfer of 2,500 equity shares from Bharathi Srivari	Cash	10	1,000	0.01	[●]

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Kanumuri Ranga Raju is currently holding 165,000 Equity Shares of face value of ₹1 each							
Sub Total (A)	**165,000**					**0.09**	[●]
Kanumuri Mytreyi							
January 25, 1999	100	Allotment pursuant to initial subscription to the Memorandum of Association	Cash	10	10	Negligible	[●]
May 30, 2003	32,500	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	Cash	10	10	0.17	[●]
March 31, 2004	30,200	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	Cash	10	10	0.16	[●]
August 31, 2004	307,266	Rights issue in the ratio of 4 equity shares for every 12 equity shares held	Cash	10	10	1.60	[●]
October 21, 2004^	70,767	Rights issue in the ratio of 2 equity shares for every 10 equity shares held	Cash	10	10	0.37	[●]
October 26, 2004	24,167	Allotment pursuant to the Scheme of Amalgamation 2004	Other than Cash	10	NA	0.13	[●]
March 31, 2005	13,800	Rights issue in the ratio of 1 equity shares for every 25 equity shares held	Cash	10	30	0.07	[●]
May 31, 2005	100,000	Preferential allotment	Cash	10	10	0.52	[●]
July 31, 2007	10,000	Transfer of 10,000 equity shares from Ajay Kumar	Cash	10	50	0.05	[●]
August 28, 2014	433,000	Transfer of 433,000 equity shares from Prathima Kanumuri	Gift	10	Nil	2.26	[●]
	4,166	Transfer of 4,166 equity shares from Venkatasivarama Raju Gokaraju	Gift	10	Nil	0.02	[●]
	1,667	Transfer of 1,667 equity shares Venkatasivarama Raju Gokaraju HUF	Gift	10	Nil	0.01	[●]
	2,500	Transfer of 2,500 equity shares from G. Sita Devi	Gift	10	Nil	0.01	[●]
December 17, 2015	55,333	Transfer of 55,333 equity shares from Liang Guo	Cash	10	149.76	0.29	[●]
March 21, 2016	2,167	Transfer of 2,167 equity shares from Venkatasivarama Raju Gokaraju	Gift	10	Nil	0.01	[●]
August 5, 2019	624,000	Transfer of 624,000 equity shares from Kanmuri Krishnam Raju	Gift	10	Nil	3.25	[●]
September 17, 2020	510,408	Allotment pursuant to the Scheme of Arrangement	Other than Cash	10	NA	2.66	[●]
March 31, 2021	302,599	Transfer of 302,599 equity shares from Kanumuri Ranga Raju HUF	Gift	10	Nil	1.58	[●]
	(226,949)	Transfer of 226,949 equity shares to Marigold Partners	Other than Cash (contribution towards the capital of Marigold Partners)	10	27.82	(1.18)	[●]
	(1,198,143)	Transfer of 1,198,143 equity shares to Marigold Partners	Other than Cash (contribution towards the capital of Marigold Partners)	10	28.67	(6.24)	[●]
	(357,286)	Transfer of 357,286 equity shares to Marigold Partners	Gift	10	Nil	(1.86)	[●]
	(153,122)	Transfer of 153,122 equity shares to Tulip Partners	Gift	10	Nil	(0.80)	[●]
	(513,490)	Transfer of 513,490 equity shares to Tulip Partners	Other than Cash (contribution towards the capital of Tulip Partners)	10	10	(2.67)	[●]
	(75,650)	Transfer of 75,650 equity shares to Tulip Partners	Other than Cash (contribution towards the capital of Tulip Partners)	10	58.65	(0.39)	[●]
December 26, 2022	6,000	Transfer of 6,000 equity shares from Bharathi Srivari	Cash	10	700	0.03	[●]

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Kanumuri Mytreyi is currently holding 60,000 Equity Shares of face value of ₹1 each							
Sub Total (B)	**60,000**					**0.03**	[●]
Krishnam Raju Kanumuri							
August 16, 2002	90,000	Rights issue in the ratio of 9 equity shares for every 10 equity shares held	Cash	10	10	0.47	[●]
May 30, 2003	10,000	Rights issue in the ratio of 3 equity shares for every 10 equity shares held	Cash	10	10	0.05	[●]
August 31, 2004	56,334	Rights issue in the ratio of 4 equity shares for every 12 equity shares held	Cash	10	10	0.29	[●]
October 26, 2004	250,000	Rights issue in the ratio of 2 equity shares for every 8 equity shares held	Cash	10	30	1.30	[●]
October 26, 2004	16,666	Allotment pursuant to the Scheme of Amalgamation 2004	Other than Cash	10	NA	0.09	[●]
May 31, 2005	211,000	Preferential allotment	Cash	10	10	1.10	[●]
September 28, 2005	100,000	Preferential allotment	Cash	10	10	0.52	[●]
February 7, 2006	45,000	Allotment pursuant to the Scheme of Amalgamation 2006	Other than Cash	10	NA	0.23	[●]
November 12, 2006	112,000	Allotment pursuant to conversion of warrants	Cash	10	10	0.58	[●]
July 31, 2007	28,000	Transfer of 28,000 equity shares from A. Ajay Kumar	Cash	10	50	0.15	[●]
August 5, 2019	(624,000)	Transfer of 624,000 equity shares to Kanumuri Mytreyi	Gift	10	Nil	(3.25)	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Krishnam Raju Kanumuri is currently holding 2,950,000 Equity Shares of face value of ₹1 each							
Sub Total (C)	**2,950,000**					**1.54**	[●]
Sai Quest Syn Private Limited							
October 21, 2004	250,000	Rights issue in the ratio of 2 equity shares for every 10 equity shares held	Cash	10	10	1.30	[●]
December 31, 2004	96,000	Rights issue in the ratio of 1 equity share for every 40 equity shares held	Cash	10	30	0.50	[●]
	67,000	Transfer of 67,000 equity shares from C. Ratnakumari	Cash	10	30	0.35	[●]
February 7, 2006	50,000	Allotment pursuant to the Scheme of Amalgamation 2006	Other than Cash	10	NA	0.26	[●]
July 31, 2007	10,000	Transfer of 10,000 equity shares from A. Ajay Kumar	Cash	10	50	0.05	[●]
March 29, 2008@	20,000	Transfer of 20,000 equity shares from D. S. Laxmi	Cash	10	250	0.10	[●]
	20,000	Transfer of 20,000 equity shares from D. S. N. Raju	Cash	10	250	0.10	[●]
September 3, 2010	13,761	Transfer of 13,761 equity shares from Kanumuri Ranga Raju	Cash	10	218	0.07	[●]
October 15, 2011	31,000	Transfer of 31,000 equity shares from Varma Penmetsa	Cash	10	200	0.16	[●]
November 16, 2011	5,000	Transfer of 5,000 equity shares from P. Srinivasa Raju	Cash	10	150	0.03	[●]
May 27, 2012	22,936	Transfer of 22,936 equity shares from Chemrich Fine Chemicals Private Limited	Cash	10	150	0.12	[●]
July 13, 2012	80,123	Transfer of 80,123 equity shares from Robert M. Moriarty	Cash	10	150	0.42	[●]
April 30, 2014	20,000	Transfer of 20,000 equity shares from Bharathi Srivari	Cash	10	150	0.10	[●]
December 17, 2015	50,000	Transfer of 50,000 equity shares from SRT Investments Private Limited	Cash	10	149.76	0.26	[●]
	7,964	Transfer of 7,964 equity shares from P. V. Narasimha Raju	Cash	10	149.76	0.04	[●]
	58,997	Transfer of 58,997 equity shares from Ravindra Alluri	Cash	10	149.76	0.31	[●]
	46,510	Transfer of 46,510 equity shares from Ravindra Alluri (jointly held with Suryakumari Alluri)	Cash	10	149.76	0.24	[●]
	24,848	Transfer of 24,848 equity shares from Sudarshan Tuladhar	Cash	10	149.76	0.13	[●]
	44,568	Transfer of 44,568 equity shares from Aruna Penmasta	Cash	10	149.76	0.23	[●]
	23,800	Transfer of 23,800 equity shares from N. Anjelica (jointly held with Anita Rudraraju Nandyala)	Cash	10	149.76	0.12	[●]

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
	15,000	Transfer of 15,000 equity shares from N. Anisha (jointly held with N. P. V. S. Raju)	Cash	10	149.76	0.08	[●]
	25,200	Transfer of 25,200 equity shares from N. Anisha (jointly held with Anita Rudraraju Nandyala)	Cash	10	149.76	0.13	[●]
	15,000	Transfer of 15,000 equity shares from N. Anjelica (jointly held with N. Suryakumari)	Cash	10	149.76	0.08	[●]
	48,742	Transfer of 48,742 equity shares from N. Ravindra Varma	Cash	10	149.76	0.25	[●]
	12,742	Transfer of 12,742 equity shares from N Suryakumari (jointly held with N. P. V. S. Raju)	Cash	10	149.76	0.07	[●]
	3,186	Transfer of 3,186 equity shares from N. P. V. S. Raju (jointly held with N Suryakumari)	Cash	10	149.76	0.02	[●]
	1,593	Transfer of 1,593 equity shares from V. Kartik Varma (jointly held with V. Padmavathi)	Cash	10	149.76	0.01	[●]
	4,778	Transfer of 4,778 equity shares from V. Padmavathi	Cash	10	149.76	0.02	[●]
April 4, 2024	7,500	Transfer of 7,500 equity shares from Bharathi Srivari	Cash	10	1,000	0.04	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Sai Quest Syn Private Limited is currently holding 10,762,480 Equity Shares of face value of ₹1 each							
Sub Total (D)	**10,762,480**					**5.61**	**[●]**
Sunflower Partners							
March 31, 2021	784,015	Transfer of 784,015 equity shares from Kanumuri Ranga Raju	Other than Cash (contribution towards the capital of Sunflower Partners)	10	88.07	4.08	[●]
	356,714	Transfer of 356,714 equity shares from Kanumuri Ranga Raju	Gift	10	Nil	1.86	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Sunflower Partners was holding 11,407,290 Equity Shares of face value of ₹1 each							
July 4, 2024	1,678,660	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	NA	1	NA	0.87	[●]
	419,660	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	NA	1	NA	0.22	[●]
Sub Total (E)	**13,505,610**					**7.03**	**[●]**
Lily Partners							
March 31, 2021	357,621	Transfer of 357,621 equity shares from Kanumuri Ranga Raju	Other than Cash (contribution towards the capital of Lily Partners)	10	185.02	1.86	[●]
	152,878	Transfer of 152,878 equity shares from Kanumuri Ranga Raju	Gift	10	Nil	0.80	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Lily Partners was holding 5,104,990 Equity Shares of face value of ₹1 each							
July 4, 2024	719,420	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	NA	1	NA	0.37	[●]
	179,860	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	NA	1	NA	0.09	[●]
Sub Total (F)	**6,004,270**					**3.13**	**[●]**
Marigold Partners							

Date of allotment/ transfer	Number of equity shares	Nature of transaction	Nature of consideration	Face value per equity share (₹)	Issue price/ transfer price per equity share (₹)	Percentage of the pre-Offer equity share capital*# (%)	Percentage of the post- Offer equity share capital (%)
March 31, 2021	226,949	Transfer of 226,949 equity shares from Kanumuri Mytreyi	Other than Cash (contribution towards the capital of Marigold Partners)	10	27.82	1.18	[●]
	1,198,143	Transfer of 1,198,143 equity shares from Kanumuri Mytreyi	Other than Cash (contribution towards the capital of Marigold Partners)	10	28.67	6.24	[●]
	357,286	Transfer of 357,286 equity shares from Kanumuri Mytreyi	Gift	10	Nil	1.86	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Marigold Partners was holding 17,823,780 Equity Shares of face value of ₹1 each							
July 4, 2024	1,681,340	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	NA	1	NA	0.88	[●]
	420,340	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	NA	1	NA	0.22	[●]
Sub Total (G)	**19,925,460**					**10.38**	**[●]**
Tulip Partners							
March 31, 2021	153,122	Transfer of 153,122 equity shares from Kanumuri Mytreyi	Gift	10	Nil	0.80	[●]
	513,490	Transfer of 513,490 equity shares from Kanumuri Mytreyi	Other than Cash (contribution towards the capital of Tulip Partners)	10	10	2.67	[●]
	75,650	Transfer of 75,650 equity shares from Kanumuri Mytreyi	Other than Cash (contribution towards the capital of Tulip Partners)	10	58.65	0.39	[●]
Pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by our Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, by virtue of sub-division, with effect from June 11, 2024, Tulip Partners was holding 7,422,620 Equity Shares of face value of ₹1 each							
July 4, 2024	7,20,580	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	NA	1	NA	0.38	[●]
	180,140	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	NA	1	NA	0.09	[●]
Sub Total (H)	**8,323,340**					**4.34**	**[●]**
Total (A+B+C+D+E+F+G+H)	**61,696,160**					**32.15**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable. For details, see "History and Certain Corporate Matters – Shareholders' agreements and other agreements" on page 188.*

\# *Adjusted for split, as applicable.*

^ *Our Company has filed the compounding application on account of factual inaccuracies made while filing of Form 2 in relation to these allotments. For further details, see "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC or there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 29.*

@ *Our Company has been unable to trace the share transfer forms in relation to these transfers. Accordingly, reliance has been placed on Company's annual returns, register of members, register of transfers and board resolutions noting the transfers, where available. For further details, see "Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC or there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard" on page 29.*

(b) Build-up of the CCPS shareholding of our Promoters in our Company

The details regarding the build-up of the CCPS shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of CCPS	Nature of transaction	Nature of consideration	Face value per CCPS (₹)	Issue price/ transfer price per CCPS (₹)	Percentage of the preference share capital (%)
Kanumuri Ranga Raju						
September 17, 2020	239,808	Allotment pursuant to the Scheme of Arrangement	Cash^	10	244.54^	49.96
March 31, 2021	(167,866)*	Transfer of 167,866 CCPS to Sunflower Partners	Gift	10	Nil	(34.97)
	(71,942)*	Transfer of 71,942 CCPS to Lily Partners	Gift	10	Nil	(14.99)
Sub Total (A)	**Nil**					**Nil**
Kanumuri Mytreyi						
September 17, 2020	240,192	Allotment pursuant to the Scheme of Arrangement	Cash^	10	244.54^	50.04
March 31, 2021	(168,134)*	Transfer of 168,134 CCPS to Marigold Partners	Gift	10	Nil	(35.03)
	(72,058)*	Transfer of 72,058 CCPS to Tulip Partners	Gift	10	Nil	(15.01)
Sub Total (B)	**Nil**					**Nil**
Sunflower Partners						
March 31, 2021	167,866*	Transfer of 167,866 CCPS from Kanumuri Ranga Raju	Gift	10	Nil	34.97
July 4, 2024	(167,866)	Allotment of 1,678,660 Equity Shares of face value ₹1 each pursuant to conversion of CCPS into Equity Shares	NA	10	NA	(34.97)
	167,866	Re-classification of 167,866 OCPS of face value ₹10 each into 167,866 CCPS of face value ₹10 each	NA	10	NA	34.97
Sub Total (C)	**167,866**					**34.97**
Lily Partners						
March 31, 2021	71,942*	Transfer of 71,942 CCPS from Kanumuri Ranga Raju	Gift	10	Nil	14.99
July 4, 2024	(71,942)	Allotment of 719,420 Equity Shares of face value ₹1 each pursuant to conversion of CCPS into Equity Shares	NA	10	NA	(14.99)
	71,942	Re-classification of 71,942 OCPS of face value ₹10 each into 71,942 CCPS of face value ₹10 each	NA	10	NA	14.00
Sub Total (D)	**71,942**					**14.99**
Marigold Partners						
March 31, 2021	168,134*	Transfer of 168,134 CCPS from Kanumuri Mytreyi	Gift	10	Nil	35.03
July 4, 2024	(168,134)	Allotment of 1,681,340 Equity Shares of face value ₹1 each pursuant to conversion of CCPS into Equity Shares	NA	10	NA	(35.03)
	168,134	Re-classification of 168,134 OCPS of face value ₹10 each into 168,134 CCPS of face value ₹10 each	NA	10	NA	35.03
Sub Total (E)	**168,134**					**35.03**
Tulip Partners						
March 31, 2021	72,058*	Transfer of 72,058 CCPS from Kanumuri Mytreyi	Gift	10	Nil	15.01
July 4, 2024	(72,058)	Allotment of 720,580 Equity Shares of face value ₹1 each pursuant to conversion of CCPS into Equity Shares	NA	10	NA	(15.01)
	72,058	Re-classification of 72,058 OCPS of face value ₹10 each into 72,058 CCPS of face value ₹10 each	NA	10	NA	15.01
Sub Total (F)	**72,058**					**15.01**
Total (A+B+C+D+E+F)	**480,000**					**100.00**

^ *Pursuant to an order of NCLT, Hyderabad dated August 18, 2020, as consideration for the Scheme of Arrangement, partly paid-up CCPS of face value of ₹10 each were allotted to the shareholders of Sai Quest Syn Private Limited up to the extent of ₹8.06 per CCPS towards face value. Further, ₹1.94 per CCPS towards face value and ₹242.60 per CCPS towards premium amount was paid at the time of call on June 11, 2024. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up CCPS.*

* *These CCPS were partly-paid up at the time of transfer and were made fully-paid up on June 11, 2024. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding partly paid-up CCPS.*

(c) Build-up of the OCPS shareholding of our Promoters in our Company

While there are no outstanding OCPS as on the date of this Draft Red Herring Prospectus, the details regarding the build-up of the OCPS shareholding of our Promoters in our Company since incorporation is set forth in the table below:

Date of allotment/ transfer	Number of OCPS	Nature of transaction	Nature of consideration	Face value per OCPS (₹)	Issue price/ transfer price per OCPS (₹)	Percentage of the preference share capital (%)
Kanumuri Ranga Raju						
September 17, 2020	299,760	Allotment pursuant to the Scheme of Arrangement	Cash^	10	244.54^	62.45
March 31, 2021	(209,832)*	Transfer of 209,832 OCPS to Sunflower Partners	Gift	10	Nil	(43.72)
	(89,928)*	Transfer of 89,928 OCPS to Lily Partners	Gift	10	Nil	(18.74)
Sub Total (A)	**Nil**					**Nil**
Kanumuri Mytreyi						
September 17, 2020	300,240	Allotment pursuant to the Scheme of Arrangement	Cash^	10	244.54^	62.55
March 31, 2021	(210,168)*	Transfer of 210,168 OCPS to Marigold Partners	Gift	10	Nil	(43.79)
	(90,072)*	Transfer of 90,072 OCPS to Tulip Partners	Gift	10	Nil	(18.77)
Sub Total (B)	**Nil**					**Nil**
Sunflower Partners						
March 31, 2021	209,832*	Transfer of 209,832 OCPS from Kanumuri Ranga Raju	Gift	10	Nil	43.72
July 4, 2024	(41,966)	Allotment of 419,660 Equity Shares of face value ₹1 each pursuant to conversion of OCPS into Equity Shares	NA	10	NA	(8.74)
	(167,866)	Re-classification of 167,866 OCPS of face value ₹10 each into 167,866 CCPS of face value ₹10 each	NA	10	NA	(34.97)
Sub Total (C)	**Nil**					**Nil**
Lily Partners						
March 31, 2021	89,928*	Transfer of 89,928 OCPS from Kanumuri Ranga Raju	Gift	10	Nil	18.74
July 4, 2024	(17,986)	Allotment of 179,860 Equity Shares of face value ₹1 each pursuant to conversion of OCPS into Equity Shares	NA	10	NA	(3.75)
	(71,942)	Re-classification of 71,942 OCPS of face value ₹10 each into 71,942 CCPS of face value ₹10 each	NA	10	NA	(14.99)
Sub Total (D)	**Nil**					**Nil**
Marigold Partners						
March 31, 2021	210,168*	Transfer of 210,168 OCPS from Kanumuri Mytreyi	Gift	10	Nil	43.79
July 4, 2024	(42,034)	Allotment of 420,340 Equity Shares of face value ₹1 each pursuant to conversion of OCPS into Equity Shares	NA	10	NA	(8.76)
	(168,134)	Re-classification of 168,134 OCPS of face value ₹10 each into 168,134CCPS of face value ₹10 each	NA	10	NA	(35.03)
Sub Total (E)	**Nil**					**Nil**
Tulip Partners						
March 31, 2021	90,072*	Transfer of 90,072 OCPS from Kanumuri Mytreyi	Gift	10	Nil	18.77
July 4, 2024	(18,014)	Allotment of 180,140 Equity Shares of face value ₹1 each pursuant to conversion of OCPS into Equity Shares	NA	10	NA	(3.75)
	(72,058)	Re-classification of 72,058 OCPS of face value ₹10 each into 72,058 CCPS of face value ₹10 each	NA	10	NA	(15.01)
Sub Total (F)	**Nil**					**Nil**
Total (A+B+C+D+E+F)	**Nil**					**Nil**

^ *Pursuant to an order of NCLT, Hyderabad dated August 18, 2020, as consideration for the Scheme of Arrangement, partly paid-up OCPS of face value of ₹10 each were allotted to the shareholders of Sai Quest Syn Private Limited up to the extent of ₹8.06 per OCPS towards face value. Further, ₹1.94 per OCPS towards face value and ₹242.60 per OCPS towards premium amount was paid at the time of call on June 11, 2024.*

* *These OCPS were partly-paid up at the time of transfer and were made fully-paid up on June 11, 2024.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of allotment/ acquisition of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged, except for (i) 680,235 Equity Shares held by Sunflower Partners; (ii) 288,235 Equity Shares held by Lily Partners; (iii) 691,765 Equity Shares held by Marigold Partners; and (iv) 299,765 Equity Shares held by Tulip Partners, aggregating to 1,960,000 Equity Shares ("**Pledged Shares**"), pledged pursuant to master pledge agreements, executed amongst our Other Promoters and IIFL Finance Limited. The pledge on such Pledged Shares shall be temporarily released three working days prior to the filing of the Red Herring Prospectus with the RoC for the purposes of lock-in in accordance with the requirements of the SEBI ICDR Regulations.

Further, Kanumuri Ranga Raju, Kanumuri Mytreyi, Krishnam Raju Kanumuri, Sai Quest Syn Private Limited, TPG, HBM Private Equity India and certain other parties have entered into a Gift Deed. Pursuant to the Gift Deed certain parties have agreed to gift some of their shares aggregating to 208,367 Equity Shares of face value of ₹ 1 each to our Promoters and certain members of Promoter Group. For further details, see "*History and Certain Corporate Matters – Other Agreements*" on page 187.

(d) Details of lock-in:

1. Details of Promoters contribution and lock-in

(i) In accordance with Regulation 14 and Regulation 16 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 and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment.

(ii) The details of the Equity Shares held by our Promoters, which 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 are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in#	Date of allotment / transfer of Equity Shares	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
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

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

\# *All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares.*

(iii) Our Promoters have given consent for inclusion of such number of Equity Shares held by them as part of the Promoters' contribution, subject to lock-in requirements as specified under Regulation 14 of the SEBI ICDR Regulations. Our Promoters have agreed not to dispose, sell, transfer, create any pledge, lien or otherwise encumber in any manner, the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under the SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iv) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of minimum Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoter, see "- *History of the Share capital held by our Promoter*" on page 83.

In this connection, we confirm the following:

a. The Equity Shares offered as a part of the minimum Promoter's contribution do not include Equity Shares acquired in the three immediately preceding years from the date of this Draft Red Herring Prospectus (a) for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; or (b) resulting from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against Equity Shares which are otherwise ineligible for computation of minimum Promoter's contribution.

b. Our minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one 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.

c. Our Company has not been formed by the 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.

d. As on the date of this Draft Red Herring Prospectus, Equity Shares held by our Promoters and offered for minimum Promoter's contribution are not subject to pledge with any creditor.

2. Details of Equity Shares locked-in for six months

(i) In accordance with Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (other than minimum Promoter's contribution) will be locked-in for a period of six months from the date of Allotment, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to eligible employees of the Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or previous employees pursuant to the ESOP Schemes; and (iii) the Equity Shares held by VCFs or Category I AIF or Category II AIF or FVCI, subject to certain conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares will be locked-in for a period of at least six months from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

(ii) 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.

3. Lock-in of Equity Shares allotted to Anchor Investors

(i) There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.

4. Other lock-in requirements

(i) The Equity Shares held by the Promoters which are locked-in for a period of 18 months from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or NBFC-ND-SI or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or NBFC-ND-SI or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations, provided that such loans have been granted for the purpose of financing one or more of the objects of the Offer and pledge of Equity Shares is a term 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 to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

(ii) In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters and locked-in as per Regulation 16 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and/or any member of our Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferee for the remaining period and compliance with the Takeover Regulations, as applicable, and such transferee shall not be eligible to transfer them till the lock-in period stipulated in the SEBI ICDR Regulations has expired.

(iii) The Equity Shares held by any person other than our Promoters and locked-in for a period of six months from the date of Allotment in the Offer as per Regulation 17 of the SEBI ICDR Regulations, may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

6. Details of Equity Shares and CCPS held by our Promoters, members of our Promoter Group, Directors, Key Managerial Personnel and Senior Management Personnel

(i) Set out below are the details of the Equity Shares and CCPS held by our Promoters and directors of our Corporate Promoter in our Company. Other than as disclosed below, none of the members of our Promoter Group hold any Equity Shares in our Company:

(a) Equity Shares

Sr. No.	Name	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post-Offer Equity Share capital (%)
Promoters				
1.	Marigold Partners	19,925,460	11.25	[●]
2.	Sunflower Partners	13,505,610	7.91	[●]
3.	Sai Quest Syn Private Limited	10,762,480	5.61	[●]
4.	Tulip Partners	8,323,340	4.71	[●]
5.	Lily Partners	6,004,270	3.50	[●]
6.	Krishnam Raju Kanumuri	2,950,000	1.54	[●]
7.	Kanumuri Ranga Raju	165,000	0.09	[●]
8.	Kanumuri Mytreyi	60,000	0.03	[●]
Total		**61,696,160**	**34.64**	**[●]**
Members of the Promoter Group (except Promoters)				
1.	Gokaraju Subba Raju	9,387,300	4.89	[●]
2.	Gokaraju Lakshmi Tanuja	1,301,210	0.68	[●]
3.	Kanumuri Sudha	500,000	0.26	[●]
4.	Continental Wines Private Limited	19,670	0.01	[●]
Total		**11,208,180**	**5.84**	**[●]**
Directors of our Corporate Promoter#				
1.	Kanumuri Ranga Raju	165,000	0.09	[●]
2.	Kanumuri Mytreyi	60,000	0.03	[●]
Total		**225,000**	**0.12**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

Also Promoters of our Company.

(b) Preference shares

Sr. No.	Name	Number of CCPS	Percentage of the preference share capital (%)
Promoters			
1.	Marigold Partners	168,134	34.97
2.	Sunflower Partners	167,866	14.99
3.	Tulip Partners	72,058	35.03
4.	Lily Partners	71,942	15.01
Total		**480,000**	**100.00**

For further details, see "*Our Promoters and Promoter Group*" on page 204.

(ii) Set out below are details of the Equity Shares and the employee stock options, as applicable, held by the Directors, Key Managerial Personnel and Senior Management Personnel of our Company:

S. No.	Name	Number of Equity Shares	Number of employee stock options vested	Number of employee stock options not vested	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post-Offer Equity Share capital (%)
Directors						
1.	Kanumuri Ranga Raju	165,000	Nil	Nil	0.09	[●]
2.	Krishnam Raju Kanumuri	2,950,000	Nil	Nil	1.54	[●]
Total (A)		**3,115,000**	**Nil**	**Nil**	**1.62**	**[●]**
Key Managerial Personnel**						
1.	Sivaramakrishnan Chittor	1,915,000	485,000	600,000	1.25	[●]
2.	Runa Karan	50,000	Nil	Nil	0.03	[●]
Total (B)		**1,965,000**	**485,000**	**600,000**	**1.28**	**[●]**
Senior Management Personnel						
1.	Muniandi Damodharan	350,000	125,000	150,000	0.25	[●]
2.	Sauri Gudlavalleti	200,000	Nil	2,300,000	0.10	[●]
3.	Rajesh Vinodrai Naik	125,000	25,000	100,000	0.08	[●]

S. No.	Name	Number of Equity Shares	Number of employee stock options vested	Number of employee stock options not vested	Percentage of the pre-Offer Equity Share capital* (%)	Percentage of the post-Offer Equity Share capital (%)
4.	Srikrishna Chopperla	100,000	25,000	175,000	0.07	[●]
5.	Dean David Edney	Nil	250,000	250,000	0.13	[●]
6.	A Vasanthamurugesh	Nil	375,000	150,000	0.20	[●]
7.	Tuneer Ghosh	Nil	575,000	150,000	0.30	[●]
8.	Maneesh Raghunath Pingle	Nil	250,000	250,000	0.13	[●]
9.	Bugga Venkata Naga Bala Subrahmanya Sarma	250,000	337,500	225,000	0.31	[●]
Total (C)		**1,025,000**	**1,962,500**	**3,750,000**	**1.57**	**[●]**
Total (A+B+C)		**6,105,000**	**2,447,500**	**4,350,000**	**4.47**	**[●]**

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

** *Our Key Managerial Personnel are also our Senior Management Personnel in terms of the SEBI ICDR Regulations.*

For further details, see "*Our Management*" on page 190.

7. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders are 70.

8. Shareholding pattern of our Company

The table below presents the shareholding pattern of our Company as on the date 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)	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)[2]	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised 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) on a fully diluted basis	
								Class: Equity Shares	Class: CCPS	Total								
(A)	**Promoters and Promoter Group**	12	72,904,340	-	-	72,904,340	39.64	72,904,340	480,000	77,704,340[1]	39.64	4,800,000	41.17	Nil	Nil	1,960,000[3]	1.04	72,884,670
(B)	**Public**	58	111,016,000	-	-	111,016,000	60.36	111,016,000	-	111,016,000	60.36	-	58.83	Nil	Nil	Nil	Nil	108,845,150
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C1)	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	**Shares held by employee trusts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A+B+C)	**70**	**183,920,340**	**-**	**-**	**183,920,340**	**100.00**	**183,920,340**	**480,000**	**188,720,340[1]**	**100.00**	**4,800,000[1]**	**100.0**	**Nil**	**Nil**	**1,960,000[3]**	**1.04**	**181,779,820**

(1) *Assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations. For details, see "History and Certain Corporate Matters – Shareholders' agreements and other agreements" on page 188.*

(2) *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations.*

(3) *Pursuant to master pledge agreements, (i) 680,235 Equity Shares held by Sunflower Partners; (ii) 288,235 Equity Shares held by Lily Partners; (iii) 691,765 Equity Shares held by Marigold Partners; and (iv) 299,765 Equity Shares held by Tulip Partners, aggregating to 1,960,000 Equity Shares ("**Pledged Shares**") are pledged with IIFL Finance Limited. The pledge on such Pledged Shares shall be temporarily released three working days prior to the filing of the Red Herring Prospectus with the RoC for the purposes of lock-in in accordance with the requirements of the SEBI ICDR Regulations.*

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

a) The Shareholders holding 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares assuming conversion of outstanding CCPS*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis** (%)
1.	TPG Asia VII SF Pte Ltd	76,201,800	41.43	76,201,800	39.69
2.	Marigold Partners	19,925,460	10.83	21,606,800	11.25
3.	Sunflower Partners	13,505,610	7.34	15,184,270	7.91
4.	Sai Quest Syn Private Limited	10,762,480	5.85	10,762,480	5.61
5.	HBM Private Equity India	10,557,320	5.74	10,557,320	5.50
6.	Gokaraju Subba Raju	9,387,300	5.10	9,387,300	4.89
7.	Tulip Partners	8,323,340	4.53	9,043,920	4.71
8.	Lily Partners	6,004,270	3.26	6,723,690	3.50
9.	Anita Rudraraju Nandyala	4,184,420	2.28	4,184,420	2.18
10.	Krishnam Raju Kanumuri	2,950,000	1.60	2,950,000	1.54
11.	Raju Penmasta	2,866,000	1.56	2,866,000	1.49
12.	Aruna Penmasta	2,163,640	1.18	2,163,640	1.13
13.	Sivaramakrishnan Chittor	1,915,000	1.04	1,915,000	1.00
Total		**168,746,640**	**91.75**	**173,546,640**	**90.40**

* *The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement. For details of the CCPS, see "– Share capital history of our Company – (ii) Preference share capital" on page 76.*

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

b) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital (%)	Number of Equity Shares assuming conversion of outstanding CCPS*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis** (%)
1.	TPG Asia VII SF Pte Ltd	76,201,800	41.43	76,201,800	39.69
2.	Marigold Partners	19,925,460	10.83	21,606,800	11.25
3.	Sunflower Partners	13,505,610	7.34	15,184,270	7.91
4.	Sai Quest Syn Private Limited	10,762,480	5.85	10,762,480	5.61
5.	HBM Private Equity India	10,557,320	5.74	10,557,320	5.50
6.	Gokaraju Subba Raju	9,387,300	5.10	9,387,300	4.89
7.	Tulip Partners	8,323,340	4.53	9,043,920	4.71
8.	Lily Partners	6,004,270	3.26	6,723,690	3.50
9.	Anita Rudraraju Nandyala	4,184,420	2.28	4,184,420	2.18
10.	Krishnam Raju Kanumuri	2,950,000	1.60	2,950,000	1.54
11.	Raju Penmasta	2,866,000	1.56	2,866,000	1.49
12.	Aruna Penmasta	2,163,640	1.18	2,163,640	1.13
13.	Sivaramakrishnan Chittor	1,915,000	1.04	1,915,000	1.00
Total		**168,746,640**	**91.75**	**173,546,640**	**90.40**

* *The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement. For details of the CCPS, see "– Share capital history of our Company – (ii) Preference share capital" on page 76.*

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

c) The Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital	Number of Equity Shares assuming conversion of outstanding CCPS, OCPS and convertible warrants*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis** (%)
1.	TPG Asia VII SF Pte Ltd	7,620,180	43.22	7,620,180	39.77
2.	Marigold Partners	1,782,378	10.11	2,160,680	11.28
3.	Sunflower Partners	1,140,729	6.47	1,518,427	7.93
4.	Sai Quest Syn Private Limited	1,068,748	6.06	1,068,748	5.58
5.	HBM Private Equity India	1,055,732	5.99	1,055,732	5.51
6.	Gokaraju Subba Raju	938,730	5.32	938,730	4.90
7.	Tulip Partners	742,262	4.21	904,392	4.72
8.	Lily Partners	510,499	2.90	672,369	3.51
9.	Anita Rudraraju Nandyala	418,442	2.37	418,442	2.18
10.	Krishnam Raju Kanumuri	295,000	1.67	295,000	1.54
11.	Raju Penmasta	286,600	1.63	286,600	1.50
12.	Aruna Penmasta	216,364	1.23	216,364	1.13
Total		**16,075,664**	**91.18**	**17,155,664**	**89.54**

* *The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each, 600,000 OCPS of face value of ₹10 each and 50,000 convertible warrants subsisting one year prior to the date of this Draft Red Herring Prospectus.*

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each; (ii) conversion of 600,000 OCPS of face value of ₹10 each; and (iii) conversion of 50,000 share warrants; and (iv) exercise of 399,750 vested options under ESOP Scheme, as applicable.*

d) The Shareholders who held 1% or more of the paid-up Equity Share capital of the Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are set forth in the table below:

Sr. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Offer Equity Share capital	Number of Equity Shares assuming conversion of outstanding CCPS, OCPS and convertible warrants*	Percentage of the pre-Offer Equity Share capital on a fully diluted basis** (%)
1.	TPG Asia VII SF Pte Ltd	7,620,180	43.39	7,620,180	39.91
2.	Marigold Partners	1,782,378	10.15	2,160,680	11.32
3.	Sunflower Partners	1,140,729	6.50	1,518,427	7.96
4.	Sai Quest Syn Private Limited	1,068,748	6.09	1,068,748	5.60
5.	HBM Private Equity India	1,055,732	6.01	1,055,732	5.53
6.	Gokaraju Subba Raju	938,730	5.35	938,730	4.92
7.	Tulip Partners	742,262	4.23	904,392	4.74
8.	Lily Partners	510,499	2.91	672,369	3.52
9.	Anita Rudraraju Nandyala	418,442	2.38	418,442	2.19
10.	Krishnam Raju Kanumuri	295,000	1.68	295,000	1.54
11.	Raju Penmasta	286,600	1.63	286,600	1.50
12.	Aruna Penmasta	216,364	1.23	216,364	1.13
Total		**16,075,664**	**91.55**	**17,155,664**	**89.85**

* *The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each, 600,000 OCPS of face value of ₹10 each and 50,000 convertible warrants subsisting two years prior to the date of this Draft Red Herring Prospectus.*

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each; (ii) conversion of 600,000 OCPS of face value of ₹10 each; (iii) conversion of 50,000 share warrants; and (iv) exercise of 401,375 vested options under ESOP Scheme, as applicable.*

10. Employee Stock Options Schemes of our Company

Our Company has two ESOP Schemes, namely ESOP 2008 and Management ESOP 2018. As on the date of this Draft Red Herring Prospectus, the details of grants, exercise and lapsed options on a cumulative basis are as follows:

Particulars	Number of options/ Equity Shares*
ESOP outstanding at the beginning of the year (Fiscal 2024)	779,628
Options granted	344,000
Options forfeited/lapsed/cancelled	500,000
Options exercised	79,000
Total number of Equity Shares of face value of ₹1 each that would arise as a result of exercise of options	790,000
Options vested (including options that have been exercised)	126,100
Total number of options outstanding in force	984,628

* *As certified by Bashetty & Joshi, Chartered Accountants, pursuant to their certificates dated July 12, 2024 and July 29, 2024.*

(i) ESOP 2008

Our Company, pursuant to the resolutions passed by our Board on August 6, 2008 and our Shareholders on September 11, 2008, adopted the ESOP 2008. The ESOP 2008 was amended by (i) Board and Shareholders resolutions dated November 6, 2008 and December 10, 2008, respectively; and was (ii) Board and Shareholders resolutions dated February 2, 2009 and March 30, 2009, respectively. The ESOP 2008 was further amended by (i) Board and Shareholders resolutions dated May 19, 2023 and June 19, 2023, respectively; and (ii) Board and Shareholders resolutions each dated July 4, 2024. The objective of ESOP 2008 is to provide an incentive to attract, retain and reward employees performing services for our Company and by motivating such employees to contribute to the growth and profitability of our Company. The ESOP 2008 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under ESOP 2008, an aggregate of 936,418 options have been granted to employees of our Company, an aggregate of 652,768 options have been vested and an aggregate of 484,432 options have been exercised by employees of our Company. All grants of options under the ESOP 2008 are in compliance with the Companies Act, 2013.

The following are the details of the Equity Shares issued under the ESOP 2008 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under ESOP 2008	Price range at which Equity Shares were issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	30,000	120-284
December 31, 2021	86,500	83-284
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	15,000	120
December 31, 2022	25,000	284
March 31, 2023	20,000	120-284
June 30, 2023	5,000	120
September 30, 2023	Nil	Nil
December 31, 2023	20,014	83-120
March 31, 2024	10,000	284
April 1, 2024 till the date of this Draft Red Herring Prospectus	31,500	284

The details of the ESOP 2008, as certified by Bashetty & Joshi, Chartered Accountants, through certificates dated July 12, 2024 and July 29, 2024 are as follows:

Particulars	Details			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
Total options outstanding at the beginning of the year	407,000	279,250	219,250	332,236
Options granted	Nil	Nil	148,000	Nil
Options vested	32,000	28,250	28,250	12,600
Options exercised	116,500	60,000	35,014	31,500
Exercise price (in ₹)	83/104/116/120/284	120/284	83/120/284	284
Total number of Equity Shares that would arise as a result of full exercise of options granted	116,500	60,000	35,014	31,500
Options forfeited/lapsed	11,250	Nil	Nil	10,000
Options outstanding (including vested and unvested options)	279,250	219,250	332,236	290,736
Variation of terms of options	No	No	Yes	Yes
Money realized by exercise of options during the year/period	18,289,000	12,940,000	5,212,162	8,946,000
Total number of options in force (including vested)	220,750	189,000	182,236	153,336
Employee wise details of options granted to:				
Key Managerial Personnel	-	-	-	-
Senior Management Personnel	-	-	Srikrishna Chopperla – 15,000	-

<table>
<tr><th rowspan="2">Particulars</th><th colspan="4">Details</th></tr>
<tr><th>Fiscal 2022</th><th>Fiscal 2023</th><th>Fiscal 2024</th><th>From April 1, 2024 till the date of this Draft Red Herring Prospectus</th></tr>
<tr><td>Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>No</td><td>No</td><td>(i) Deepak Thakkar - 12,000
(ii) Krishna Prasad M -10,000
(iii) Prabhu Gudelli -10,000
(iv) Stephen Hermitage – 10,000
(v) Venkata Suryanarayana Varma Dantuluri – 15,000</td><td>No</td></tr>
<tr><td>Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant</td><td colspan="4">No</td></tr>
<tr><td>Fully diluted EPS pursuant to the issue of equity shares (face value of ₹10 Equity Share) pursuant to issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard Ind AS 33 for 'Earnings Per Share'</td><td>3.43</td><td>5.48</td><td>45.28</td><td>-</td></tr>
<tr><td>Lock-in</td><td>-</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company</td><td colspan="4">Not applicable since the options were priced at fair value on the date of grant by using Black Scholes model.</td></tr>
<tr><td>Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option</td><td colspan="4"><table>
<tr><th>Date of Grant</th><th>December 7, 2023 and February 20, 2024</th><th>June 19, 2023 and September 13, 2023</th></tr>
<tr><td>Risk-free interest rate</td><td>7.21%</td><td>7.32%</td></tr>
<tr><td>Expected life (in years)</td><td>5</td><td>5</td></tr>
<tr><td>Expected Volatility</td><td>33.00%</td><td>33.00%</td></tr>
<tr><td>Expected dividend yield</td><td>0.00%</td><td>0.00%</td></tr>
</table></td></tr>
<tr><td>Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE Regulations had been followed in respect of options granted in the last three years</td><td colspan="4">Not applicable</td></tr>
<tr><td>Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer</td><td colspan="4">Our Key Managerial Personnel or Senior Management Personnel may sell some Equity Shares allotted on the exercise of their options within three months after the date of listing of the Equity Shares of the Company</td></tr>
<tr><td>Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by directors, senior managerial personnel and employees having Equity Shares arising out of an employee stock option scheme,</td><td colspan="4">None of our Directors, Key Managerial Personnel, Senior Management Personnel or employees have received options pursuant to ESOP 2008 exceeding 1% of the issued capital. Hence, not applicable</td></tr>
</table>

Particulars	Details			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)				

(ii) Management ESOP 2018

Our Company, pursuant to the resolutions passed by our Board on July 25, 2018 and our Shareholders on July 25, 2018, adopted the Management ESOP 2018. The Management ESOP 2018 was further amended by (i) Board and Shareholders resolutions dated February 25, 2022 and March 25, 2022, respectively; (ii) Board and Shareholders resolutions dated June 20, 2022 and July 18, 2022, respectively; (iii) Board and Shareholders resolutions dated May 19, 2023 and June 19, 2023, respectively; and (iv) Board and Shareholders resolutions, each dated July 4, 2024. The objective of Management ESOP 2018 is to provide an incentive to attract, retain and reward employees performing services for our Company and by motivating such employees to contribute to the growth and profitability of our Company. The Management ESOP 2018 is in compliance with the SEBI SBEB & SE Regulations.

As on the date of this Draft Red Herring Prospectus, under Management ESOP 2018, an aggregate of 1,135,000 options have been granted to employees of the Company, an aggregate of 229,284 options have been vested and an aggregate of 54,892 options have been exercised by employees of our Company. There will be no further grants made under Management ESOP 2018. All grants of options under the Management ESOP 2018 are in compliance with the Companies Act, 2013

The following are the details of the Equity Shares issued under the Management ESOP 2018 on a quarterly basis:

Quarter ended	Aggregate number of Equity Shares issued pursuant to exercise of vested employee stock options granted under Management ESOP 2018	Price range at which Equity Shares were issued (₹)
June 30, 2021	Nil	Nil
September 30, 2021	Nil	Nil
December 31, 2021	3,928	1,273
March 31, 2022	Nil	Nil
June 30, 2022	Nil	Nil
September 30, 2022	Nil	Nil
December 31, 2022	Nil	Nil
March 31, 2023	Nil	Nil
June 30, 2023	2,356	1,273
September 30, 2023	Nil	Nil
December 31, 2023	1,108	1,273
March 31, 2024	Nil	Nil
April 1, 2024 till the date of this Draft Red Herring Prospectus	47,500	1,273

The details of the Management ESOP 2018, as certified by Bashetty & Joshi, Chartered Accountants, through certificates dated July 12, 2024 and July 29, 2024 are as follows:

Particulars	Details			
	Fiscal 2022	Fiscal 2023	Fiscal 2024	From April 1, 2024 till the date of this Draft Red Herring Prospectus
Total options outstanding at the beginning of the year	616,000	521,750	586,375	447,392
Options granted	150,000	130,000	Nil	344,000
Options vested	51,500	35,625	46,125	34,500
Options exercised	3,928	Nil	3,464	47,500
Exercise price (in ₹)	1,273/1,889	1,273	1,273	1,273
Total number of Equity Shares that would arise as a result of exercise of options granted	3,928	Nil	3,464	47,500
Options forfeited/lapsed	240,322	65,375	135,519	50,000
Options outstanding (including vested and unvested options)	521,750	586,375	447,392	693,892

Particulars	Details			
	Fiscal 2022	**Fiscal 2023**	**Fiscal 2024**	**From April 1, 2024 till the date of this Draft Red Herring Prospectus**
Variation of terms of options	Yes	Yes	Yes	Yes
Money realized by exercise of options during the year/period	5,000,344	Nil	4,409,672	60,467,500
Total number of options in force	114,750	150,375	187,392	174,392
Employee wise details of options granted to:				
Key Managerial Personnel	-	-	-	Sivaramakrishnan Chittor - 60,000*
Senior Management Personnel	-	Sauri Gudlavalleti – 100,000	-	(i) Srikrishna Chopperla - 4,000* (ii) Muniandi Damodharan - 15,000* (iii) Tuneer Ghosh - 15,000* (iv) A Vasanthamurugesh -15,000* (v) Rajesh Vinodrai Naik - 10,000* (vi) Maneesh Raghunath Pingle - 20,000* (vii) Sauri Gudlavalleti - 1,10,000* (viii) Dean David Edney - 20,000* (ix) Bugga Venkata Naga Bala Subrahmanya Sarma -22,500*
Any other employee who receives a grant in any one year of options amounting to 5% or more of the options granted during the year	No	No	T V S K Vittal – 30,000	No
Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	No			
Fully diluted EPS pursuant to the issue of Equity Shares on exercise of options calculated in accordance with the applicable accounting standard on 'Earnings Per Share'	3.43	5.48	45.28	-
Lock-in	-	-	-	-
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and its impact on profits and EPS of the Company	Not applicable since the options were priced at fair value on the date of grant by using Black Scholes model			
Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	See table below			
Impact on profits and EPS of the last three years if the accounting policies prescribed in the SEBI SBEB & SE	Not applicable			

Date of Grant	July 18, 2022 and August 17, 2022	March 25, 2022
Risk-free interest rate	7.18%	7.00%
Expected life (in years)	5	5
Expected Volatility	16.18%	16.70%
Expected dividend yield	0.00%	0.00%

Particulars	Details			
	Fiscal 2022	**Fiscal 2023**	**Fiscal 2024**	**From April 1, 2024 till the date of this Draft Red Herring Prospectus**
Regulations had been followed in respect of options granted in the last three years				
Intention of the Key Managerial Personnel and Senior Management Personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted under an employee stock option scheme, to sell their Equity Shares within three months after the date of listing of the Equity Shares pursuant to the Offer	Our Key Managerial Personnel or Senior Management Personnel may sell some Equity Shares allotted on the exercise of their options within three months after the date of listing of the Equity Shares of our Company			
Intention to sell Equity Shares arising out of an employee stock option scheme within three months after the date of listing of Equity Shares, by directors, senior managerial personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	None of our Directors, Key Managerial Personnel, Senior Management Personnel or employees have received options pursuant to Management ESOP 2018 exceeding 1% of the issued capital. Hence, not applicable			

**Employee stock options issued to certain employees between 2018 and 2023 had two alternative financial or performance vesting conditions. Shares issued post April 2024 represent the portion of options that did not meet the first condition and have been re-issued and now vesting based on the second condition.*

11. Our Company confirms that allotments made pursuant to exercise of options under ESOP 2008 and Management ESOP 2018 are made to the employees of our Company and our Subsidiaries. Further all grant of options under ESOP 2008 and Management ESOP 2018 are in compliance with the Companies Act 1956 and Companies Act, 2013, to the extent applicable.

12. As on the date of this Draft Red Herring Prospectus, all the Equity Shares held by our Promoters are held in dematerialised form.

13. None of the BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. 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.

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

15. Except as disclosed under "*– Share capital history of our Company – (i) Equity Share capital*" and "*– Share capital history of our Company – (ii) Preference share capital*" on pages 66 and 76, respectively, none of our Promoters, members of our Promoter Group, our Directors and their respective relatives have purchased, acquired or sold any securities of our Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

16. Our Company, our Directors and the BRLMs have not made any or entered into any buy-back arrangements for purchase of Equity Shares.

17. Except for issue of Equity Shares pursuant to Fresh Issue, allotment of Equity Shares pursuant to exercise of options granted under the ESOP Schemes and conversion of CCPS into Equity Shares prior to filing the updated Draft Red Herring Prospectus with SEBI, there will be no further issue of Equity Shares whether by way of issue of bonus shares, rights issue, preferential issue or any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus until the listing of the Equity Shares on the Stock Exchanges pursuant to the Offer or all application moneys have been refunded to the Anchor Investors, or the application moneys are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc., as the case may be this is in the event there is a failure of the Offer.

18. 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 qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to (a) the issuance of any Equity Shares under the Offer; and (b) any issuance of Equity Shares pursuant to the exercise of employee stock options granted or which may be granted under the ESOP Schemes.

19. At any given time, there shall be only one denomination for the Equity Shares.

20. Except as disclosed in this section, there are no outstanding convertible securities, option or right to convert a debenture, loan or other instrument which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

21. No person connected with the Offer, including, but not limited to the BRLMs, the Syndicate Members, our Company, the Promoters, Selling Shareholders, our Directors, or the members of the Promoter Group, 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. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their respective relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity, during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

23. Our Company shall ensure that 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 transaction.

24. Our Promoters and Promoter Group shall not participate in the Offer, except by way of participation of the Promoter Selling Shareholder in the Offer for Sale.

SECTION V: PARTICULARS OF THE OFFER

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Each of the Selling Shareholders shall be entitled to its respective portion of the proceeds of the Offer for Sale, after deducting its proportion of the Offer-related expenses and the relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds.

Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

(in ₹ million)

Particulars	Estimated amount
Gross Proceeds of the Fresh Issue	8,000.00
(Less) Expenses in relation to the Fresh Issue*#	[●]
Net Proceeds*	[●]

* *To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

\# *For details, see "- Offer Expenses" beginning on page 109.*

Requirement of funds and utilization of Net Proceeds

We propose to utilise the Net Proceeds towards funding the following objects:

1. Repayment/prepayment, in full or part, of all or certain outstanding borrowings availed by our Company; and

2. General corporate purposes.

(collectively, referred to herein as the "**Objects**").

The Net Proceeds are proposed to be utilised in accordance with the details provided in the following table:

(in ₹ million)

Particulars	Estimated amount
Repayment/ prepayment, in full or part, of all or certain outstanding borrowings availed by our Company	6,000
General corporate purposes(1)	[●]
Total	[●]

(1) *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

The main objects and matters in furtherance of the objects set out in the Memorandum of Association enable us (i) to undertake our existing business activities; and (ii) to undertake the activities proposed to be funded from the Net Proceeds (including the activities for which the funds earmarked towards general corporate purposes shall be used).

Further, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges, including enhancement of our Company's brand name and creation of a public market for our Equity Shares in India.

Proposed schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the estimated schedule of implementation and deployment of funds as follows:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment of the Net Proceeds in Fiscals		
		2025	2026	2027
Repayment/ prepayment, in full or part, of all or certain outstanding borrowings availed by our Company	6,000	6,000	-	-
General corporate purposes(1)	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]

(1) *The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, prevailing market conditions and other commercial and technical factors including interest rates and other charges, and the financing and other agreements entered into by our Company. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution or any other independent agency. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, access to capital, negotiation with lenders, and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws. For details in relation to the discretion available to our management in respect of use of the Net Proceeds, see, "*Risk Factors – Our Company will not receive any proceeds from the Offer for Sale portion.*" on page 50.

In the event that the estimated utilization of the Net Proceeds in Fiscal 2025 is not completely met, due to the reasons stated above, the same shall be utilised in Fiscal 2026, as may be determined by our Company, in accordance with applicable laws. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with the SEBI ICDR Regulations.

Means of finance

The fund requirements for the Objects are proposed to be entirely funded from the Net Proceeds and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue and existing internal accruals, under Regulation 7(1)(e) of the SEBI ICDR Regulations. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Objects of the Offer

I. Repayment/ prepayment, in part or full, of all or certain outstanding borrowings availed by our Company

Our Company has entered into various financing arrangements with banks, and financial institutions. The loan facilities entered into by our Company include borrowings in the form of, *inter alia*, term loans and working capital facilities. For further details, see *"Financial Indebtedness"* beginning on page 305. As on March 31, 2024, the aggregate outstanding borrowings of our Company on a consolidated basis is ₹ 7,101.63 million.

Our Company proposes to utilise an estimated amount of ₹ 6,000 million from the Net Proceeds towards repayment/ prepayment, in part or full, of all or a portion of certain borrowings availed by our Company, comprising 84.49% of our total borrowings as of March 31, 2024. The repayment/ prepayment, will help reduce our outstanding indebtedness, assist us in maintaining a favourable debt-equity ratio, reduce our interest outflow and enable utilisation of some additional amount from our internal accruals for further investment in business growth and expansion. In addition, we believe that any improvement in debt-equity ratio will enable us to raise further resources at competitive rates and additional funds / capital in the future to fund potential business development opportunities and plans to grow and expand our business in the future. Our Company may choose to repay/ prepay certain borrowings availed by our Company, other than those identified in the table below, which may include additional borrowings availed after the filing of this Draft Red Herring Prospectus. Given the nature of these borrowings and the terms of repayment/prepayment, the aggregate outstanding borrowing amounts may vary from time to time. Further, the amounts outstanding under these borrowings as well as the sanctioned limits are dependent on several factors and may vary with our business cycle with multiple intermediate repayments, drawdowns and enhancement of sanctioned limits. In light of the above, if at the time of filing of the Red Herring Prospectus, any of the below mentioned loans are repaid in part or full or refinanced or if any additional credit facilities are availed or drawn down or if the limits under the working capital borrowings are increased, then the table below shall be suitably revised to reflect the revised amounts or loans as the case may be which have been availed by our Company.

The following table sets forth details of certain borrowings availed by our Company, out of which our Company may repay/prepay, all or a portion of, any or all of the borrowings:

S. No.	Name of the lender	Date of sanction letter	Date of disbursement of the loans	Nature of borrowing	Amount sanctioned as on March 31, 2024 (in ₹ million)	Amount outstanding as on March 31, 2024 (in ₹ million)	Applicable rate of interest as at March 31, 2024	Tenure	Repayment Schedule	Purpose(1)	Prepayment penalty
1.	State Bank of India	July 31, 2023	Multiple	Working capital fund based	1,550.00	1,386.88	7.80% to 9.25%	1 year	1 year/on demand	Working capital requirement	Up to 2%
		July 31, 2023	Multiple	Buyer credit*	700.00	176.12	-	6 months	6 months /on demand	Working capital requirement	-
		September 29, 2021	October 1, 2021 March 17, 2023	Term loan	1,000.00	894.99	9.05%	6 years 7 months after 1 year 7 months moratorium	Quarterly	Enhancement of capital expenditure capabilities	Up to 2%
		April 1, 2021	June 15, 2021 June 16, 2021 June 18, 2021 June 21, 2021 June 30, 2021 June 30, 2021 July 8, 2021 August 13, 2021 August 21, 2021 September 28, 2021	Term loan	187.60	93.70	9.25%	5 years	Monthly	Emergency credit line limit	-
2	IndusInd Bank Limited	April 12, 2024	Multiple	Working capital fund based	960.00	612.17	6.17% to 9.85%	1 year	1 year/on demand	Working capital requirement	Up to 2%
		April 12, 2024	Multiple	Buyer credit*	430.00	76.66	-	6 months	6 months /on demand	Working capital requirement	-
		December 30, 2020	January 7, 2021 February 11, 2021	Term loan	750.00	562.50	6.30% to 9.85%	8 years	Quarterly	Enhancement of capital expenditure capabilities	-
3	Bank of Baroda	July 18, 2023	Multiple	Working capital fund based	920.00	550.00	7.78% to 8.06%	1 year	1 year/on demand	Working capital requirement	-
4	DBS Bank India Limited	March 16, 2024	Multiple	Working capital fund based	550.00	250.00	8.10%	1 year	1 year/on demand	Working capital requirement	As levied by the bank
5	ICICI Bank Limited	September 12, 2023	Multiple	Working capital fund based	250.00	265.00	7.95% to 8.70%	1 year	1 year/on demand	Working capital requirement	As levied by the bank
		September 12, 2023	Multiple	Buyer Credit*	340.00	21.96	-	6 months	6 months/on demand	Working capital requirement	-
		March 29, 2021	March 31, 2021	Term loan	139.80	66.99	6.90%	4 years after 1 year moratorium	Monthly	Emergency credit line limit	-
6	Axis Bank Limited	September 27, 2023	Multiple	Working capital fund based	650.00	180.00	8.10% to 9.20%	1 year	1 year/on demand	Working capital requirement	Up to 2%
		January 12, 2024	March 14, 2024	Term loan	500.00	249.70	8.00%	5 years after 1 year moratorium	Quarterly	Enhancement of capital expenditure capabilities	Up to 2%

S. No.	Name of the lender	Date of sanction letter	Date of disbursement of the loans	Nature of borrowing	Amount sanctioned as on March 31, 2024 (in ₹ million)	Amount outstanding as on March 31, 2024 (in ₹ million)	Applicable rate of interest as at March 31, 2024	Tenure	Repayment Schedule	Purpose[(1)]	Prepayment penalty
7	HDFC Limited	August 10, 2023	Multiple	Working capital fund based	400.00	72.92	8.10% to 9.20%	1 year	1 year/on demand	Working capital requirement	-
		April 21, 2020	April 30, 2020	Term loan	500.00	281.25	8.30% to 9.20%	6 years	Quarterly	Enhancement of capital expenditure capabilities	Up to 2%
		March 26, 2024	March 30, 2024	Term loan	500.00	499.50	8.30%	6 years and 3 months	Quarterly	Enhancement of capital expenditure capabilities	Up to 2%
8	Kotak Mahindra Bank Limited	July 25, 2023**	Multiple	Working capital fund based	220.00	120.00	8.05% to 9.25%	1 year	On demand	Working capital requirement	Up to 2%
		July 25, 2023**	Multiple	Buyer credit*	200.00	31.34	-	6 months	6 months/on demand	Working capital requirement	-
		August 7, 2020	August 29, 2020	Term loan	750.00	615.13	9.20%	7 years	Quarterly	Enhancement of capital expenditure capabilities	Up to 2%
		March 30, 2021	May 26, 2021	Term loan	113.90	67.62	9.25%	5 years	Monthly	Emergency credit line limit	Up to 2%
Total					**11,611.30**	**7,074.43**					

**The limit for buyer credit for all the banks includes the limit for letter of credit and bank guarantee.*

***These facilities were further renewed pursuant to a sanction letter dated May 30, 2024.*

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, our Company has obtained a certificate dated July 11, 2024 issued by our Auditors, certifying the utilisation of the aforementioned borrowings for purpose for which such borrowings were availed.

For details of security provided for the abovementioned borrowings availed by our Company, see "*Financial Indebtedness*" beginning on page 305.

The selection of borrowings proposed to be prepaid, repaid or redeemed (earlier or scheduled) out of the borrowings provided above, shall be based on various factors including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) any prepayment conditions, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenure of the loan, and sales and collections generated from the project for which such loan has been obtained. Prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds of the Offer.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder.

There have neither been any delays or defaults by us in relation to the above-mentioned borrowings intended to be repaid/prepaid using the Net Proceeds nor has there been any rescheduling/restructuring of such borrowings.

II. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation:

(i) strategic initiatives,

(ii) funding growth opportunities, expansion initiatives and meeting exigencies,

(iii) brand building,

(iv) purchase of equipment and machinery,

(v) meeting expenses incurred by our Company in the ordinary course of business, and

(vi) any other purpose as may be approved by our Board or duly appointed committee, from time to time, subject to compliance with Companies Act, 2013 and all other applicable laws.

The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any. Any unutilised portion of Net Proceeds earmarked towards general corporate purposes may also be utilised to meet any shortfall in the Net Proceeds earmarked for other Objects, subject to applicable law. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Fiscal, we will utilize such unutilized amount(s) in the subsequent Fiscal.

Offer Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] million.

Other than (a) audit fees not attributable to the Offer, listing fees and expenses for any product or corporate advertisements consistent with past practice of our Company (other than the expenses relating to the Offer), which will be borne by our Company, and (b) fees and expenses in relation to the legal counsel to the Selling Shareholders which shall be borne by the respective Selling Shareholders, all costs, charges, fees and expenses associated with and incurred in connection with the Offer, including Offer advertising, printing, road show expenses, accommodation and travel expenses, stamp, transfer, issuance, documentary, registration, costs for execution and enforcement of the Offer Agreement, Registrar's fees, fees to be paid to the BRLMs, fees and expenses of legal counsel to our Company and the BRLMs, fees and expenses of the auditors, fees to be paid to Sponsor Banks, SCSBs (processing fees and selling commission), brokerage for Syndicate Members, commission to Registered Brokers, Collecting DPs and RTAs, and payments to consultants, and advisors, shall be shared among our Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by our Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. All such payments shall be made by our Company on behalf of the Selling Shareholders and upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the Selling Shareholders agree that they shall, severally and not jointly, reimburse our Company in proportion to their respective proportion of the Offered Shares, for any expenses incurred by our Company on behalf of such Selling Shareholder in accordance with Applicable Law. Our Company shall provide to each of the Selling Shareholders, a certificate from a reputed chartered accountant, determining the portion of expenses allocated to each Selling Shareholder. The fees of the BRLMs shall be paid directly from the public offer account(s) where the proceeds of the Offer have been received, and immediately upon receipt of final listing and trading approvals from the Stock Exchanges, in the manner as may be set out in the escrow and sponsor bank agreement. It is further clarified that all payments shall be made first by our Company and that each of the Selling Shareholders shall, severally and not jointly, reimburse our Company for respective proportion of the expenses upon the commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer. Further, the Selling Shareholders will not bear any costs and expenses associated with any further issue of Equity Shares by our Company including by way of private placement of Equity Shares, post filing of the Draft Red Herring Prospectus with SEBI and prior to registering of the Red Herring Prospectus with the Registrar of Companies, and such costs shall be borne solely by our Company. Further, in the event that the Offer is postponed, withdrawn or abandoned for any reason or in the event that the Offer is not successfully completed, all expenses in relation to the Offer including the fees of the BRLMs and legal counsels and their respective reimbursement for expenses which may have accrued up to the date of such postponement, withdrawal, abandonment or failure as set out in their respective engagement letters/ Offer Agreement, shall be borne, in accordance with, and subject to, applicable laws.

The break-up for the estimated Offer expenses are as follows:

Activity	**Estimated expenses(1) (₹ in million)**	**As a % of total estimated Offer related expenses(1)**	**As a % of Offer size(1)**
BRLM's fees (including brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)(3)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other parties to the Offer, including, Statutory Auditors, Independent Chartered Accountant, industry expert, and fees payable to legal counsel	[●]	[●]	[●]
Advertising and marketing expenses for the Offer			
Others	[●]	[●]	[●]
• Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
• Printing and stationery	[●]	[●]	[●]
• Miscellaneous*	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Comprising fees payable to depositories, additional intermediaries and agencies, that may be appointed in the course of Offer.*

(1) *Offer expenses include applicable taxes, where applicable. Offer expenses will be finalised on determination of Offer Price and incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.*
Selling commission payable to the SCSBs on the portion for RIBs, Non-Institutional Bidders and Eligible Employee Bidders which are directly procured and uploaded by the SCSBs, would be as follows:

*Portion for RIBs**	[●]*% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	[●]*% of the Amount Allotted (plus applicable taxes)*
*Portion for Eligible Employees**	[●]*% 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.
No processing fees shall be payable by our Company and any of the Selling Shareholders to the SCSBs on the applications directly procured by them.
Processing fees payable to the SCSBs of ₹[●] per valid application (plus applicable taxes) for processing the Bid cum Application Form for Non-Institutional Bidders which are procured by the members of the Syndicate/sub- Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking.

(2) *Brokerage, selling commission and processing/uploading charges on the portion for RIBs (using the UPI mechanism), Eligible Employee Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-Syndicate Members) would be as follows:*

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

In addition to the selling commission referred above, any additional amount(s) to be paid by our Company and Selling Shareholders shall be as mutually agreed amongst the Book Running Lead Managers, their respective Syndicate Members, our Company and Selling Shareholders before the opening of the Offer.

Uploading Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the applications made by RIBs and Eligible Employee Bidders using 3-in-1 accounts/Syndicate ASBA mechanism and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in-1 accounts/Syndicate ASBA mechanism, would be as follows: ₹ 10 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.

Selling commission/ uploading charges payable to the Registered Brokers on the portion for RIBs, Eligible Employee Bidders and Non Institutional Bidders which are directly procured by the Registered Broker and submitted to SCSB for processing, would be as follows:

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

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

Members of the Syndicate / RTAs / CDPs /Registered Brokers	*₹ [●] per valid application (plus applicable taxes)*
Sponsor Bank(s)	*₹ [●] for applications made by UPI Bidders using the UPI mechanism*. The Sponsor Bank(s) 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 the SEBI circulars, the Syndicate Agreement and other applicable laws.*

* *Based on valid applications*

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.

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.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company may temporarily invest the Net Proceeds in deposits in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Appraising entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any external agency or any bank/financial institution.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this DRHP, which are proposed to be repaid from the Net Proceeds.

Monitoring of utilisation of funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint a Monitoring Agency for monitoring the utilisation of Gross Proceeds prior to the filing of the Red Herring Prospectus with the RoC, as the proposed Fresh Issue exceeds ₹ 1,000 million.

Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Gross Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Gross Proceeds have been utilised in full, which shall include item-by-item description for all the expense heads under each object of the Offer. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose, the utilisation of the Gross Proceeds, including interim use under a separate head in our balance sheet for such fiscals as required under applicable law, clearly specifying the purposes for which the Gross Proceeds have been utilised, till the time any part of the Gross Proceeds remains unutilised. Our Company will also, in its balance sheet for the applicable fiscals, provide details, if any, in relation to all such Gross Proceeds that have not been utilised, if any, of such currently unutilised Gross Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Gross Proceeds under various expense heads, as applicable, in the notes to our quarterly consolidated results. Our Company will indicate investments, if any, of unutilised Gross Proceeds in the balance sheet of our Company for the relevant fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilised in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in Objects

In accordance with the Companies Act, our Company shall not vary the Objects without being authorised to do so by our Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to our Shareholders in relation to the passing of such special resolution ("**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English, one in Hindi and one in the regional language of the jurisdiction where our Registered Office is located. In accordance with the Companies Act, our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects, subject to the provisions of the Companies Act and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with our Articles of Association, the Companies Act and the SEBI ICDR Regulations.

Other confirmations

Except to the extent of the proceeds received by the Promoter Selling Shareholder pursuant to the Offer for Sale portion, no part of the Offer proceeds will be paid by our Company as consideration to our Promoters, the Promoter Group, our Directors, or our KMPs and SMPs. There are no existing or anticipated transactions in relation to utilisation of Net Proceeds with our Promoters, the Promoter Group, our Directors, our KMPs and SMPs.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company, 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 Position and Results of Operations*" beginning on pages 24, 156, 215 and 276, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors and our strengths which form the basis for computing the Offer Price are as follows:

1. One of the largest integrated Indian CRDMOs in terms of revenue from operations for the Financial Year 2024, acting as a one-stop platform for discovery, development and manufacturing
   - We are one of the largest integrated CRDMOs among listed Indian peers in terms of revenue from operations for the Financial Year 2024, serving as a one-stop platform for discovery, development and manufacturing. *(Source: F&S Report).*
   - As of March 31, 2024, our CDMO portfolio constituted 49 "late phase" (products which are undergoing or have completed Phase III clinical trials) or commercial products, 34 of which underwent process development in our R&D facilities before entering Phase III clinical trials, and the remaining 15 were transferred to our manufacturing facilities from another facility.
   - With respect to the CRO services, for the Financial Year 2024, 75.19% of our total revenue from chemistry services was derived from customers who also engaged our biology and/or DMPK service.

2. CDMO platform with a diverse mix of commercial and under-development molecules
   - As of March 31, 2024, our development and manufacturing portfolio constituted 38 products used in the production of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products used in the production of ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*)
   - As of March 31, 2024, we also have a portfolio of over 100 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages (*Source: F&S Report*).
   - As of March 31, 2024, approximately 25% of the combined total of 49 late phase (commercial, Phase III and post-Phase-III products) and 35% of the 100 early-phase products in our portfolio are APIs.

3. Strategic business investments with improving profitability metrics
   - We are the fastest-growing Indian CRDMO among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (*Source: F&S Report*)
   - For Financial Years 2024, 2023 and 2022, our total revenue from operations was ₹14,651.78 million, ₹12,171.39 million and ₹8,695.93 million, respectively, representing a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024
   - For Financial Years 2024, 2023 and 2022, our profit after tax was ₹828.09 million, ₹99.89 million and ₹62.26 million

4. Fast-growing, integrated Discovery capabilities with focus on biology, chemistry and DMPK services
   - Our Discovery business grew at a CAGR of approximately 34.77% from Financial Year 2022 to Financial Year 2024.
   - The number of customers outsourcing their integrated discovery programs to us increased from 29 in the Financial Year 2019 to over 60 in the Financial Year 2024
   - Financial Year 2024, 75.19% of our revenue from chemistry services were from customers who availed biology and/or DMPK services as well.

5. Long-standing relationship with a diverse base of existing and new customers
   - As of March 31, 2024, no single customer accounted for more than 9.55% of our revenue from operations.
   - Our diverse customer base includes global pharmaceutical companies and biotechnology companies, including 18 out of the top 25 pharmaceutical companies in terms of revenue for the calendar year 2023, across the regulated markets of the US, the UK, EU and Japan (*Source: F&S Report*).

6. Modern R&D infrastructure with a differentiated delivery model and strong regulatory track-record

- We are the only CRDMO among the listed Indian peers that can conduct development activities in close proximity to our customers, and transfer technology for manufacturing back to India. (*Source: F&S Report*)
- Our facilities have received several regulatory approvals and are subject to stringent quality standards and specifications, specified by our customers

7. Experienced management team and Board supported by a qualified scientific talent pool
   - We are led by our team of senior management who possess significant experience in the pharmaceutical industry, both in India and internationally
   - Members of our senior management team have more than 25 years of average experience

For further details, see "*Our Business – Strengths*" on page 158.

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 2024	4.39	4.39	3
Financial Year 2023	0.55	0.55	2
Financial Year 2022	0.35	0.34	1
Weighted Average	2.44	2.44	

** As per IND AS 33, Para 23, Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.*

Notes:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) 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. *Pursuant to a resolution passed by the Board dated June 10, 2024 and a resolution passed by the Shareholders dated June 11, 2024, each equity share of the Company of ₹ 10 each was sub-divided into 10 Equity Shares of ₹ 1 each. Accordingly, the authorised share capital of the Company was sub-divided from 20,300,000 equity shares of face value of ₹10 each to 203,000,000 Equity Shares of face value of ₹1 each. Further, issued, subscribed and paid-up capital of the Company was sub-divided from 17,742,034 equity shares of face value of ₹10 each to 177,420,340 Equity Shares of face value of ₹1 each The Earnings per Equity Share (basic and diluted) has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33 – "Earnings per share".*
3. *Basic and diluted earnings/ (loss) per equity share for financial year 2024 has been adjusted to reflect the changes in share capital subsequent to March 31, 2024 pursuant to issuance of Equity Shares due to i) exercise of ESOPs, ii) preferential allotment and iii) conversion of CCPS into Equity Shares.*

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

Particulars	P/E at the Floor Price (no. of times)*	P/E at the Cap Price (no. of times)*
Based on Basic EPS as per the Restated Consolidated Financial Information for Financial Year 2024	[●]	[●]
Based on Diluted EPS as per the Restated Consolidated Financial Information for Financial Year 2024	[●]	[●]

**To be computed after finalisation of the Price Band*

Industry P/E ratio

Based on the peer group information (excluding our Company) given below are the highest, lowest and industry average P/E ratio:

	P/E Ratio
Highest	79.51
Lowest	61.70
Industry Composite	73.19

Note:

(1) *The industry high and low has been considered from the industry peer set provided later in this section. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "-Comparison of accounting ratios with listed industry peers" on page 115.*

(2) *The industry P / E ratio mentioned above is for the financial year ended March 31, 2024. P / E Ratio has been computed based on the closing market price of equity shares on BSE on July 26, 2024 divided by the Diluted EPS for the year ended March 31, 2024.*

(3) *All the financial information for listed industry peers mentioned above is sourced from the audited financial statements of the respective company for the year ended March 31, 2024, as available on the websites of the stock exchanges.*

3. Return on Net Worth ("RoNW") (as adjusted)

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

Particulars	RoNW %	Weight
Financial Year 2024	8.13%	3
Financial Year 2023	1.12%	2
Financial Year 2022	0.71%	1
Weighted Average	4.56%	

Note:

1. *Return on Net Worth = Restated net profit/(loss) after tax for the years attributable to the owners of the Company / total Equity attributable to owners of the Company as on the last date of respective year.*
2. *Return on Net Worth for the financial year 2024 has been adjusted to reflect the changes in share capital subsequent to March 31, 2024 pursuant to issuance of Equity Shares due to i) exercise of ESOPs, ii) preferential allotment and iii) conversion of CCPS into Equity Shares.*

4. Net Asset Value per Equity Share of face value of ₹1 each (as adjusted)

Net Asset Value per Equity Share	(in ₹)
As on March 31, 2024	53.94
After the completion of the Offer	
- At the Floor Price	[●]
- At the Cap Price	[●]
At Offer Price	[●]

Note:

(1) Net Asset Value per share = Restated equity attributable to owners of the Company / number of equity shares outstanding during the period.

(2) Pursuant to a resolution passed by the Board dated June 10, 2024 and a resolution passed by the Shareholders dated June 11, 2024, each equity share of the Company of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each. Accordingly, the authorised share capital of the Company was sub-divided from 20,300,000 equity shares of face value of ₹10 each to 203,000,000 Equity Shares of face value of ₹1 each. Further, issued, subscribed and paid-up capital of the Company was sub-divided from 17,742,034 equity shares of face value of ₹10 each to 177,420,340 Equity Shares of face value of ₹1 each.

(3) Net Asset Value per share for the financial year 2024 has been adjusted to reflect the changes in share capital subsequent to March 31, 2024 pursuant to issuance of Equity Shares due to i) exercise of ESOPs, ii) preferential allotment and iii) conversion of CCPS into Equity Shares.

5. Comparison of accounting ratios with listed industry peers

Name of the company	Face Value (₹ per share)	Revenue from operations for Financial Year 2024 (₹ in million)	Basic EPS for Financial Year 2024 (₹)	Diluted EPS for Financial Year 2024 (₹)	P/E	RONW for Financial Year 2024 (%)	NAV as at March 31, 2024 (₹ per share)
Sai Life Sciences Limited*@	1.00	14,651.78	4.39	4.39	NA#	8.13%	53.94
Listed Peers **							
Divi's Laboratories Limited	2.00	78,450.00	60.27	60.27	79.51	11.79%	511.21
Suven Pharmaceuticals Limited	1.00	10,513.54	11.80	11.80	78.36	14.64%	94.04
Syngene International Limited	10.00	34,886.00	12.71	12.69	61.70	11.98%	105.91

 # To be included in respect of our Company in the Prospectus based on the Offer Price.

** As per IND AS 33, Para 23, Ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into. Further, the basic and diluted EPS, RoNW and NAV for financial year 2024 has been adjusted to reflect the changes in share capital subsequent to March 31, 2024 pursuant to issuance of Equity Shares due to i) exercise of ESOPs, ii) preferential allotment and iii) conversion of CCPS into Equity Shares*

*** All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the audited financial statements of the respective company for the year ended March 31, 2024, as available on the websites of the Stock Exchanges. P/E Ratio for the peer group has been computed based on the closing market price of equity shares on BSE as on July 26, 2024 divided by the diluted EPS.*

@ As per IND AS 33, Para 23, ordinary shares that will be issued upon the conversion of a mandatorily convertible instrument are included in the calculation of basic earnings per share from the date the contract is entered into.

Notes:

(1) Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) 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) Pursuant to a resolution passed by our Board dated June 10, 2024 and a resolution passed by our Shareholders dated June 11, 2024, each equity share of our Company of ₹ 10 each was sub-divided into 10 Equity Shares of ₹ 1 each. Accordingly, the authorised share capital of our Company was sub-divided from 20,300,000 equity shares of face value of ₹10 each to 203,000,000 Equity Shares of face value of ₹1 each. Further, issued, subscribed and paid-up capital of our Company was sub-divided from 17,742,034 equity shares of face value of ₹10 each to 177,420,340 Equity Shares of face value of ₹1 each. The Earnings per Equity Share (basic and diluted) has been calculated after giving effect to such sub-division in accordance with principles of Ind AS 33-"Earnings per share".

(3) Net Asset Value per share = Restated equity attributable to owners of our Company / total number of equity shares outstanding during the period.

(4) Return on Net Worth (%) = Restated net profit/(loss) after tax for the years/period attributable to the owners of our Company / total Equity attributable to owners of the Company as on the last date of respective year.

6. Key Performance Indicators

The table below sets forth the details of our KPIs that our Company considers have a bearing for arriving at the basis for Offer Price. All the KPIs disclosed below have been approved by resolution of our Audit Committee dated July 29, 2024 and the Audit Committee has confirmed that the KPIs pertaining to the Company that have been disclosed to investors at any point of time during the three years period prior to the date of filing of this Draft Red Herring Prospectus have been disclosed in this section and have been subject to verification and certification by Bashetty & Joshi, Chartered Accountants pursuant to certificate dated July 29, 2024 which has been included as part of the "*Material Contracts and Documents for Inspection*" on page 380.

The KPIs disclosed below have been historically used by the Company to understand and analyze its business performance and will also help in analyzing its growth in comparison to its peers.

The presentation of these KPIs is not intended to be considered in isolation or as a substitute for the Restated Financial Information. We use these KPIs to evaluate our financial and operating performance. Some of these KPIs are not defined under Ind AS and are not presented in accordance with Ind AS and may have limitations as analytical tools.

Further, these KPIs may differ from the similar information used by other companies and hence their comparability may be limited. Therefore, these KPIs should not be considered in isolation or construed as an alternative to Ind AS measures of performance, liquidity, profitability or results of operation.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once a year (or any lesser period as may be determined by the Board), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchanges or till the utilisation of the Offer Proceeds as per the disclosure made in the section "*Objects of the Offer*" on page 105 of this Draft Red Herring Prospectus, whichever is later, or for such other duration as required under the SEBI ICDR Regulations. Details of our KPIs for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022 are as follows:

Serial No.	Key Performance Indicator	Units	Fiscal 2024	Fiscal 2023	Fiscal 2022
1	Revenue from Operations	₹ in million	14,651.78	12,171.39	8,695.93
2	Revenue Growth - YoY(1)	%	20.38%	39.97%	-
3	Material Margin(2)	₹ in million	10,194.48	7,945.52	6,028.32
4	Material Margin(3)	%	69.58%	65.28%	69.32%
5	EBITDA(4)	₹ in million	3,001.15	1,822.33	1,310.63
6	EBITDA - YoY(5)	%	64.69%	39.04%	-
7	EBITDA Margin(6)	%	20.48%	14.97%	15.07%
8	PBT	₹ in million	1,092.34	164.08	96.95
9	PAT	₹ in million	828.09	99.89	62.26
10	PAT - YoY(7)	%	729.00%	60.43%	-
11	PAT Margin(8)	%	5.65%	0.82%	0.72%
12	ROCE(9)	%	10.26%	5.13%	3.21%
13	ROE(10)	%	8.49%	1.12%	0.71%
14	Net Debt / Equity (11)	Times	0.75	0.80	0.84
15	Net Debt/ EBITDA (12)	Times	2.43	3.90	5.61
16	Gross Fixed Asset Turnover(13)	%	87.25%	85.81%	69.02%
17	Net Working Capital Days (14)	No. of days	122	140	204
18	Total number of scientific staff	Number	2,125	2,012	1,779
19	Inventory Days (15)	No. of days	93	115	139

Notes:

1. *Year on year revenue growth is calculated as the current period revenue minus prior period revenue divided by prior period revenue.*
2. *Material Margin is calculated as Revenue minus Material Cost. Material Cost is calculated as cost of materials consumed plus changes in inventory of WIP.*
3. *Material Margin (%) is calculated as the absolute amount of material margin expressed as a percentage of total revenue from operations.*
4. *EBITDA is calculated as the aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.*
5. *Year on year EBITDA growth is calculated as the current period EBITDA minus prior period EBITDA divided by prior period EBITDA.*
6. *EBITDA margin is calculated as EBITDA divided by total revenue from operations.*
7. *Year on year PAT growth is calculated as the current period PAT minus prior period PAT divided by prior period PAT.*
8. *PAT margin is calculated as the restated profit after tax divided by revenue from operations.*
9. *ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as an aggregate of restated profit before tax and finance costs, for the relevant year. Capital employed is calculated as aggregate of total equity, total borrowings including lease liabilities.*
10. *ROE is calculated as profit for the year divided by total equity for the relevant year.*
11. *Net Debt is divided by total equity. Net Debt is calculated as an aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.*
12. *Net Debt is divided by EBITDA. Net Debt is calculated as an aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits. EBITDA is calculated as the aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.*
13. *Gross fixed asset turnover is calculated as revenue from operations divided by gross fixed assets.*
14. *Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).*
15. *Inventory Days is calculated by dividing average inventory by cost of goods sold and multiplying it by 365 days.*

7. Description on the historic use of the KPIs by our Company to analyze, track or monitor the operational and/or financial performance of our Company

Brief explanation of the relevance of the KPIs for our business operations is set forth below. We have also described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" beginning on page 1.

S. No.	Metric	Description and Relevance
1	Revenue from operations	This is a direct measure of how well the company is performing in terms of its core business activities.
2	Revenue Growth – year on year ("YoY")	This is a direct measure of how well the company is performing in terms of its core business activities.
3	Material Margin	The difference between the revenue generated from the sale of goods and the cost of materials used to produce those goods.
4	Material Margin (%)	Material Margin expressed as a percentage of total revenue, indicating the efficiency of managing material costs relative to sales.
5	EBITDA	This measure is used to measure the operational profitability of the business and serves as a performance indicator for valuation.
6	EBITDA - year on year ("YoY")	Similar to Revenue Growth, measures the change in EBITDA year-over-year
7	EBITDA margin (%)	It indicates the percentage of revenue that translates into EBITDA.
8	Profit before tax ("PBT")	Profit Before Tax is a company's earnings before taxes are deducted. It reflects operating profit after all expenses except for taxes are accounted for.
9	Profit after tax ("PAT")	Investors focus on it as it acts as an indicator of future earnings potential and market value.
10	Profit after tax ("PAT") – year on year ("YoY")	Measures the change in Profit After Tax year-over-year
11	PAT margin (%)	Profit After Tax expressed as a percentage of total revenue, indicating the percentage of revenue that translates into net profit.
12	Return on capital employed ("ROCE")	Return on Capital Employed measures a company's profitability and the efficiency with which it utilizes its capital to generate profits.
13	Return on equity ("ROE")	Return on Equity measures a company's profitability by revealing how much profit a company generates with the money shareholders have invested.
14	Net debt / equity (times)	This is a performance indicator as lenders and investors use this ratio to assess a company's creditworthiness and financial stability.
15	Net Debt/ EBITDA (times)	This is a performance indicator as lenders and investors use this ratio to assess a company's creditworthiness and financial stability.
16	Gross Fixed Asset Turnover (%)	As the gross fixed assets constitute a significant part of the overall balance sheet it is important to track how effectively the company uses its fixed assets to generate sales.
17	Number of Scientific Staff	It indicates the company's capacity for research and development (R&D) and innovation.
18	Net Working Capital Days	Given the nature of business there are huge working capital requirements therefore it is important metric driving operational excellence and financial health of the business.
19	Inventory Days	The average number of days it takes for a company to sell its inventory, indicating how quickly inventory is being turned into sales.

For details of our other operating metrics disclosed elsewhere in this Draft Red Herring Prospectus, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 156 and 276, respectively.

8. Comparison of KPIs of our Company with listed peers

The following table provides a comparison of the KPIs of our Company with our peer group. The peer group has been determined on the basis of companies listed on Indian stock exchanges, whose business profile is comparable to our businesses in terms of our size and our business model:

Divi's Laboratories Limited (Consolidated)

Sr. No.	Particulars	Units	As of or for the financial year ended		
			March 31, 2024	March 31, 2023	March 31, 2022
1	Total Revenue from Operations	₹ in million	78,450.00	77,675.00	89,598.30
2	Revenue growth – YoY	%	1.00%	(13.31)%	-
3	Material margin(1)	₹ in million	47,160.00	47,145.00	59,926.90
4	Material margin %(2)	%	60.11%	60.70%	66.88%
5	EBITDA(3)	₹ in million	22,350.00	24,980.00	39,225.20
6	EBITDA growth – YoY	%	(10.53)%	(36.32)%	-
7	EBITDA margin(4)	%	28.49%	32.16%	43.78%
8	Profit before tax (PBT)	₹ in million	21,630.00	23,690.00	36,835.00
9	Profit after tax (PAT)	₹ in million	16,000.00	18,240.00	29,604.50
10	Profit after tax (PAT) growth – YoY	%	(12.28)%	(38.39)%	-
11	Profit after tax margin	%	20.40%	23.48%	33.04%
12	Return on Capital Employed (ROCE)(5)	%	15.96%	18.56%	31.40%
13	Return on Equity(6)	%	11.79%	14.29%	25.24%
14	Net Debt/Equity(7)	Times	(0.29)	(0.33)	(0.24)
15	Net Debt/EBITDA	Times	(1.78)	(1.69)	(0.72)
16	Gross fixed asset turnover(8)	%	NA	122.04%	159.31%

Sr. No.	Particulars	Units	As of or for the financial year ended		
			March 31, 2024	March 31, 2023	March 31, 2022
17	Number of scientific staff	Number	NA	NA	NA
18	Net Working Capital Days(9)	No. of days	206	188	177
19	Inventory Days(10)	No. of days	361	348	306

Source: All the information for listed industry peers mentioned above is on a consolidated basis and is extracted and derived from their audited financial statements as available on the website of the respective companies.

1. *Material Margin is calculated as Revenue minus Material Cost. Material Cost is calculated as cost of materials consumed plus changes in inventory of WIP.*
2. *Material Margin (%) is calculated as the absolute amount of material margin expressed as a percentage of total revenue from operations.*
3. *EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.*
4. *EBITDA Margin (%) is calculated as EBITDA expressed as a percentage of total revenue from operations.*
5. *Return on capital employed is calculated as earnings before interest and tax divided by capital employed. Earnings before interest and tax is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital Employed is calculated as aggregate of total equity, total borrowings including lease liabilities.*
6. *Return on equity is calculated as profit after tax for the year divided by total equity for the relevant year.*
7. *Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.*
8. *Gross fixed asset turnover (%) is calculated as total revenue from operations divided by the sum of gross block of property, plant and equipment, intangible assets and right-of-use assets.*
9. *Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).*
10. *Inventory Days is calculated by dividing average inventory by cost of goods sold and multiplying it by 365 days.*

Suven Pharmaceuticals Limited (Consolidated)

Sr. No.	Particulars	Units	As of or for the financial year ended		
			March 31, 2024	March 31, 2023	March 31, 2022
1	Total Revenue from Operations	₹ in million	10,513.54	13,403.29	13,202.22
2	Revenue growth – YoY	%	21.56%	1.52%	-
3	Material margin(1)	₹ in million	7,363.19	9,311.94	9,211.18
4	Material margin %(2)	%	70.04%	69.48%	69.77%
5	EBITDA(3)	₹ in million	4,139.13	5,933.35	6,369.58
6	EBITDA growth – YoY	%	(30.24)%	(6.85)%	-
7	EBITDA margin(4)	%	39.37%	44.27%	48.25%
8	Profit before tax (PBT)	₹ in million	4,056.72	5,597.30	6,675.90
9	Profit after tax (PAT)	₹ in million	3,002.81	4,112.90	4,538.05
10	Profit after tax (PAT) growth – YoY	%	(26.99)%	(9.37)%	-
11	Profit after tax margin	%	28.56%	30.69%	34.37%
12	Return on Capital Employed (ROCE)(5)	%	19.53%	31.30%	41.48%
13	Return on Equity(6)	%	14.64%	23.70%	29.72%
14	Net Debt/Equity(7)	Times	0.01	0.00	0.03
15	Net Debt/EBITDA	Times	0.04	0.00	0.08
16	Gross fixed asset turnover(8)	%	NA	163.64%	189.69%
17	Number of scientific staff	Number	NA	NA	NA
18	Net Working Capital Days(9)	No. of days	401	232	261
19	Inventory Days(10)	No. of days	315	266	222

Source:
All the information for listed industry peers mentioned above is on a consolidated basis and is extracted and derived from their audited financial statements as available on the website of the respective companies.

Calculation of gross value of right of use assets (ROU) for Suven Pharmaceuticals Limited, for the Financial Year 21-22 & 22-23 has been done by considering the opening balance of ROU assets on 2019-20 and then adjusting for additions and modifications till respective financial year.

1. *Material Margin is calculated as Revenue minus Material Cost. Material Cost is calculated as cost of materials consumed plus changes in inventory of WIP.*
2. *Material Margin (%) is calculated as the absolute amount of material margin expressed as a percentage of total revenue from operations.*
3. *EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.*
4. *EBITDA Margin (%) is calculated as EBITDA expressed as a percentage of total revenue from operations.*
5. *Return on capital employed is calculated as earnings before interest and tax divided by capital employed. Earnings before interest and tax is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital Employed is calculated as aggregate of total equity, total borrowings including lease liabilities.*
6. *Return on equity is calculated as profit after tax for the year divided by total equity for the relevant year.*
7. *Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.*
8. *Gross fixed asset turnover (%) is calculated as total revenue from operations divided by the sum of gross block of property, plant and equipment, intangible assets and right-of-use assets.*
9. *Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).*
10. *Inventory Days is calculated by dividing average inventory by cost of goods sold and multiplying it by 365 days.*

Syngene International Limited (Consolidated)

Sr. No.	Particulars	Units	As of or for the financial year ended		
			March 31, 2024	March 31, 2023	March 31, 2022
1	Total Revenue from Operations	₹ in million	34,886.00	31,929.00	26,042.00
2	Revenue growth – YoY	%	9.26%	22.61%	-
3	Material margin(1)	₹ in million	25,584.00	23,327.00	18,552.00
4	Material margin %(2)	%	73.34%	73.06%	71.24%
5	EBITDA(3)	₹ in million	10,033.00	9,344.00	7,654.00
6	EBITDA growth – YoY	%	7.37%	22.08%	-
7	EBITDA margin(4)	%	28.76%	29.26%	29.39%
8	Profit before tax (PBT)	₹ in million	6,208.00	5,936.00	4,844.00
9	Profit after tax (PAT)	₹ in million	5,100.00	4,644.00	3,958.00
10	Profit after tax (PAT) growth – YoY	%	9.82%	17.33%	-
11	Profit after tax margin	%	14.62%	14.54%	15.20%
12	Return on Capital Employed (ROCE)(5)	%	13.88%	21.66%	11.77%
13	Return on Equity(6)	%	11.98%	12.84%	12.00%
14	Net Debt/Equity(7)	Times	0.00	0.08	0.15
15	Net Debt/EBITDA	Times	(0.01)	0.30	0.66
16	Gross fixed asset turnover(8)	%	NA	71.25%	67.08%
17	Number of scientific staff	Number	NA	NA	NA
18	Net Working Capital Days(9)	No. of days	43	99	112
19	Inventory Days(10)	No. of days	112	109	58

Source:
All the information for listed industry peers mentioned above is on a consolidated basis and is extracted and derived from their audited financial statements as available on the website of the respective companies.

1. *Material Margin is calculated as Revenue minus Material Cost. Material Cost is calculated as cost of materials consumed plus changes in inventory of WIP.*
2. *Material Margin (%) is calculated as the absolute amount of material margin expressed as a percentage of total revenue from operations.*
3. *EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.*
4. *EBITDA Margin (%) is calculated as EBITDA expressed as a percentage of total revenue from operations.*
5. *Return on capital employed is calculated as earnings before interest and tax divided by capital employed. Earnings before interest and tax is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital Employed is calculated as aggregate of total equity, total borrowings including lease liabilities.*
6. *Return on equity is calculated as profit after tax for the year divided by total equity for the relevant year.*
7. *Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.*
8. *Gross fixed asset turnover (%) is calculated as total revenue from operations divided by the sum of gross block of property, plant and equipment, intangible assets and right-of-use assets.*
9. *Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).*
10. *Inventory Days is calculated by dividing average inventory by cost of goods sold and multiplying it by 365 days.*

9. Weighted average cost of acquisition ("WACA"), floor price and cap price

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

There have been no primary issuances of Equity Shares or convertible securities, excluding shares issued under employee stock option scheme and issuance of bonus shares, during the 18 months preceding the date of this Draft Red Herring Prospectus, where such issuance is equal to or more that 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

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

There have been no secondary sale/ acquisitions of Equity Shares or any convertible securities, where the Promoters, members of the Promoter Group, Selling Shareholders, or Shareholder(s) having the right to nominate director(s) in the Board Of Directors of our Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this Draft Red Herring Prospectus, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of our Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) **Since there are no such transactions to report under 9(1) and 9(2) above, the following are the details basis the last five primary and secondary transactions (secondary transactions where Promoters, Promoter Group, Selling Shareholders or Shareholder(s) having the right to nominate director(s) to the Board of the Company, are a party to the transaction), during the three years preceding the date of this Draft Red Herring Prospectus, irrespective of the size of transactions**:

Primary transactions

Date of allotment	Name of allottee	No. of shares transacted	Face Value (₹)	Issue price per share (₹)	Nature of allotment	Nature of consideration	Total consideration (in ₹ million)
July 4, 2024	Fred Cohen	500,000	1	190.00	Preferential allotment	Cash	95.00
July 4, 2024	1,678,660 Equity Shares allotted to Sunflower Partners, 719,420 Equity Shares allotted to Lily Partners, 1,681,340 Equity Shares allotted to Marigold Partners and 720,580 Equity Shares allotted to Tulip Partners	4,800,000	1	NA	Allotment of Equity Shares pursuant to conversion of CCPS into Equity Shares	NA	-
July 4, 2024	419,660 Equity Shares allotted to Sunflower Partners, 179,860 Equity Shares allotted to Lily Partners, 420,340 Equity Shares allotted to Marigold Partners and 180,140 Equity Shares allotted to Tulip Partners	1,200,000	1	NA	Allotment of Equity Shares pursuant to conversion of OCPS into Equity Shares	NA	-
June 4, 2024	Sivaramakrishnan Chittor	150,000	1	28.40	Allotment pursuant to exercise of employee stock options under ESOP 2008	Cash	4.26
June 4, 2024	100,000 Equity Shares allotted to Sriram Gopalakrishnan, 50,000 Equity Shares allotted to Srikrishna Chopperla, 125,000 Equity Shares allotted to Rajesh V. Naik.	275,000	1	127.30	Allotment pursuant to exercise of employee stock options under Management ESOP 2018	Cash	35.01

Note: The table above takes into account the impact of sub-division of the face value of equity shares from ₹10 each to equity shares of ₹1 each, pursuant to a resolution passed by the Board in their meeting held on June 10, 2024 and Shareholders in their extraordinary general meeting held on June11, 2024.

Secondary transactions

Date of transfer	Name of transferor	Name of transferee	No. of securities	Face Value (₹)	Nature of consideration	Total consideration (in ₹ million)	Price per security (₹)
December 27, 2022	Bharathi Srivari	Kanumuri Ranga Raju	140,000	1	Cash	9.80	70.00
December 26, 2022	Bharathi Srivari	Kanumuri Mytreyi	60,000	1	Cash	4.20	70.00
April 4, 2024	Bharathi Srivari	Kanumuri Ranga Raju	25,000	1	Cash	2.50	100.00
April 4, 2024	Bharathi Srivari	Sai Quest Syn Private Limited	75,000	1	Cash	7.50	100.00

Note: The table above takes into account the impact of sub-division of the face value of equity shares from ₹10 each to equity shares of ₹1 each, pursuant to a resolution passed by the Board in their meeting held on June 10, 2024 and Shareholders in their extraordinary general meeting held on June 11, 2024.

d) The Floor Price is [●] times and the Cap Price is [●] times the weighted average cost of acquisition at which the Equity Shares were issued by our Company, or acquired or sold by the Selling Shareholders, members of the Promoter Group or other Shareholder(s) with rights to nominate directors are disclosed below:

(in ₹)

Past Transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor Price*	Cap Price*
Primary Issuances	NA#	[●] times	[●] times
Secondary Transactions	NA#	[●] times	[●] times
Since there were no primary or secondary transactions of equity shares of our Company during the 18 months preceding the date of this Draft Red Herring Prospectus, where either issuance or acquisition/ sale is equal to or more than five per cent of the fully diluted paid-up share capital of our Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), the information has been disclosed for price per share of our Company based on the last five primary or secondary transactions where promoters / members of the promoter group or Selling Shareholders or shareholder(s) having the right to nominate director(s) on the Board, are a party to the transaction, during the last three years preceding the date of this Draft Red Herring Prospectus irrespective of the size of the transaction.			
(a) Based on primary issuances undertaken during the three immediately preceding years	51.54	[●] times	[●] times
(b) Based on secondary transactions undertaken during the three immediately preceding years	80.00	[●] times	[●] times

** To be updated at the Prospectus stage.*

#As there are no transactions to be reported under parts (A) and (B) above, computation of weighted average cost of acquisition is not required.

10. Justification for the Offer price

The following provides an explanation to the Offer Price / Cap Price being [●] times of WACA of Equity Shares that were issued by our Company or acquired or sold (as set out in 9(1) and 9(2) above), compared to our Company's KPIs for the Financial Years 2024, 2023 and 2022

[●]*

** To be included upon finalisation of Price Band*

The following provides an explanation to the Offer Price /Cap Price being [●] times of WACA of Equity Shares that were issued by our Company or acquired or sold (as set out in 9(1) and 9(2) above) in view of external factors, if any

[●]*

** To be included upon finalisation of Price Band*

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

The Offer Price of ₹[●] has been determined by our Company 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 Financial Information*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 24, 156, 215 and 276, 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 24 and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

To,

The Board of Directors
Sai Life Sciences Limited
Plot no. DS-7, IKP Knowledge Park,
Turkapally, Shameerpet Mandal, Medchal-Malkajgiri, ST, Rangareddi
Hyderabad, Telangana, India, 500078

Dear Sirs,

Sub: Statement of possible special tax benefits available to Sai Life Sciences Limited ("the Company") and its shareholders under direct and indirect tax laws.

We refer to the proposed initial public offering of the equity shares (the "Offer") of Sai Life Sciences Limited ("the Company"). We enclose herewith the statement (the "**Annexure**") showing the current position of special tax benefits available to the Company and its shareholders as per the provisions of the Indian direct and indirect tax laws, including the Income-tax Act, 1961, The Central Goods and Services Tax Act, 2017, The Integrated Goods and Services Tax Act, 2017, The Union Territory Goods and Services Act, 2017, The State Goods and Services Tax Act as passed by respective State Governments, Customs Act, 1962 and Foreign Trade Policy 2023, including the rules, regulations, circulars and notifications issued in connection with such tax laws (the "Tax laws"), relevant to the financial year 2024-25 for inclusion in the Draft Red Herring Prospectus ("DRHP") for the proposed Offer by 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 Tax laws. Hence, the ability of the Company or its shareholders to derive these direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company or its shareholders may face in the near future and accordingly, the Company or its shareholders may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. This statement is only intended to provide general information to guide 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 their own tax consultants, with respect to the specific tax implications arising out of their participation in the Offer 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. We are neither suggesting nor are we advising the investors to invest money or not to invest money based on this statement.

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

- The Company or its shareholders will continue to obtain these possible special tax benefits in future;
- The conditions prescribed for availing the possible special tax benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include this statement and the enclosed Annexure regarding the special tax benefits available to the Company and its shareholders in the DRHP in relation to the Offer, which the Company intends to file with the Securities and Exchange Board of India and the stock exchange(s) provided that the below statement of limitation is included in the DRHP.

LIMITATIONS

Our views expressed in the enclosed Annexure 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 information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the existing provisions of tax laws in force in India 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 statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed Offer and to any third party relying on the statement.

This statement has been prepared solely in connection with the proposed Offer by the Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.

Yours faithfully,

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm Registration Number: 117366W/W-100018)

Sathya P. Koushik
Partner
(Membership No. 206920)
UDIN: 24206920BKANZU5944

Place: Bengaluru
Date: July 11, 2024

ANNEXURE

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SAI LIFE SCIENCES LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS

The information provided below sets out the possible special direct tax benefits available to Sai Life Sciences Limited ("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 equity shares of the Company, under the current Tax Laws presently in force in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant Tax Laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business / commercial imperatives a shareholder faces, may or may not choose to fulfill. We do not express any opinion or provide any assurance as to whether the Company or its shareholders will continue to obtain these benefits in future. The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the Offer. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

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 ITS SHAREHOLDERS.

I. Special Direct tax benefits available to the Company

The statement outlined below is based on the provisions of the Income-tax Act, 1961 ('the Act') presently in force in India as amended by the Finance Act, 2024.

a) Lower corporate tax rate under section 115BAA of the Act

- The section 115BAA of the Act provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess[1]).

- In case the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions/ exemptions:

  - Deduction under the provisions of section 10AA of the Act (deduction for units in Special Economic Zone).
  - Deduction under clause (iia) of sub-section (1) of section 32 of the Act (Additional depreciation).
  - Deduction under section 32AD or section 33AB or section 33ABA of the Act (Investment allowance in backward areas, Investment deposit account, site restoration fund).
  - Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of section 35 of the Act (Expenditure on scientific research).
  - Deduction under section 35AD or section 35CCC of the Act (Deduction for specified business, agricultural extension project).
  - Deduction under section 35CCD of the Act (Expenditure on skill development).
  - Deduction under any provisions of Chapter VI-A other than the deductions under section 80JJAA of the Act (Deduction in respect of employment of new employees) and section 80M of the Act (Deduction in respect of certain inter-corporate dividends).
  - No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above.
  - No set-off of any loss or allowance for unabsorbed depreciation deemed so under section 72A of the Act, if such loss or depreciation is attributable to any of the deductions referred to in clause.

- The provisions of section 115JB of the Act regarding Minimum Alternate Tax (MAT) are not applicable if the Company opts for the concessional income tax rate as prescribed under section 115BAA of the Act. Further, the Company will not be entitled to claim tax credit relating to MAT.

- The option needs to be exercised qua a particular financial year (FY) in the prescribed manner on or before the due date of filing the income-tax return. The option once exercised, shall apply to subsequent FYs and cannot be

[1] *Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge*

subsequently withdrawn for the same or any other financial year. If the conditions mentioned in section 115BAA of the Act are not satisfied in any FY, the option exercised shall become invalid in respect of such FY and subsequent FYs, and the other provisions of the Act shall apply as if the option under section 115BAA of the Act had not been exercised.

- The Company has opted for the concessional rate of tax in the return of income filed for the previous year ended 31st March 2021 relevant to assessment year 2021-22 and onwards.

b) Deduction from Gross Total Income

- Deduction under section 80JJAA of the Act:

The Company is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided under section 80JJAA of the Act, subject to the fulfilment of prescribed conditions therein.

- Deduction under section 80M of the Act:

Section 80M of the Act inter-alia provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, then such domestic company (subject to the provisions of this section) be allowed in computing the total income, a deduction of an amount equal to dividend received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date.

The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

II. Special Direct tax benefits available to Shareholders

a) Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under section 80M of the Act (as discussed above) would be available on fulfilling the conditions.

b) Further, in case of shareholders who are individuals, Hindu Undivided Family, association of persons, body of individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

c) As per section 112A of the Act, long-term capital gains arising from transfer of an equity share shall be taxed at 10% plus applicable surcharge and cess (without benefit of indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 1 October 2018. It is worthwhile to note that tax shall be levied where such capital gains exceed Rs. 1,00,000. Further, in respect of non-resident shareholder foreign exchange rate fluctuation as per first proviso to section 48 of the Act shall not be available if capital gains arise as per section 112A of the Act.

d) As per section 111A of the Act, short term capital gains arising from transfer of an equity share shall be taxed at 15% plus applicable surcharge and cess subject to fulfillment of prescribed conditions under the Act.

e) In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the relevant country subject to entitlement.

Except the above and apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits for the shareholders.

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

The statement outlined below is based on Indirect tax regulations as amended from time to time and applicable for the financial year 2024-25.

I. Special Indirect tax benefits available to the Company

a. Benefits under the Central Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and The Union Territory Goods and Services Tax Act, 2017 (read with relevant rules prescribed thereunder)

i. Under the Goods and Services Tax ("GST") regime, all supplies of goods and services which qualify as exports are classified as Zero-rated supplies. Zero rated supplies are eligible for claim of GST refund under any of the two mechanisms, at the option of the Company.

The Company can either effect zero-rated supplies under Bond/ Letter of Undertaking (LUT) without payment of GST and claim refund of accumulated Input Tax Credit or effect zero-rated supplies on payment of Integrated Goods and Services Tax and claim refund of the tax paid thereof as per provisions of section 54 of Central Goods and Services Tax Act, 2017. Thus, the option of claiming refund of GST on zero rated supplies is available to the Company.

ii. The Company is also eligible to claim the benefit of refund of tax on the supply of goods regarded as deemed exports under section 54 of Central Goods and Services Tax Act, 2017, subject to certain conditions.

b. Benefits under Customs Act, 1962 in conjunction with the Customs and Central Excise Duties Drawback Rules, 2017 ("Duty Drawback Rules")

Duty Drawback is a scheme administered by Central Board of Indirect Taxes & Customs ("CBIC") to promote exports by providing rebates on the incidence of Customs duties, chargeable on imported material that are used as inputs for goods to be exported.

This scheme ensures that exports are zero-rated and do not carry the burden of taxes. The product exported is eligible for rebate at a percentage mentioned in duty drawback schedule. Exporters can avail of duty drawback only if they meet the procedural requirements outlined in the Duty Drawback Rules, unless exceptions are granted.

The duty drawback rates may be expressed as percentage of free on board ("FOB") value or fixed rate on value or rate per unit quantity of export goods (weight/volume basis)

c. Benefits under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023-28)

i. Remission of duties and taxes on Exported Products (RoDTEP)

Remission of duties and taxes on Exported Products (RoDTEP) scheme incentives are given at a specified rate, ranging between 0.5 percent to 4 percent, on the free on board value of the exported goods. The incentives awarded to exporters are issued in the form of duty credit/electronic scrip. These duty credit scrips are freely transferable and can be used for the payment of Custom Duty. The Company is entitled to avail the benefits of remission of duties, taxes and other levies at the Central, State and local level which are borne on the exported goods manufactured in India under RoDTEP scheme.

ii. Benefits for Export oriented units (EOU)

Export Oriented Units of the Company are eligible to avail upfront exemption of BCD and IGST on import of notified goods. Further, these EOUs are also eligible for refund of taxes paid on domestically manufactured goods under deemed export scheme, subject to fulfilment of conditions prescribed under section 147 of the Central Goods and Services Tax Act, 2017 and Chapter 7 of the Foreign Trade Policy.

iii. Refund of Terminal Excise duty

The Company is entitled to avail the refund of terminal excise duty on fuel procurements viz., High Speed Diesel (HSD), from domestic oil Public Sector Undertakings from as per Para 7.03 (c) of Foreign Trade Policy, 2023 read with Handbook of Procedures, provided, there is no exemption.

II. Special Indirect tax benefits available to Shareholders

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

NOTES:

1. We have not considered general tax benefits available to the Company or its shareholders. The above Statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This Statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

2. This statement does not discuss any tax consequences in the hands of the Company on account of holding shares, securities, interest, outside India.

SECTION VI: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Independent Market Assessment of the Global and Indian CRDMO Market" dated July 8, 2024 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited ("**F&S**"), appointed by us on April 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://www.sailife.com/investors/. The data included herein includes excerpts from the F&S Report and may have been reordered by us for the purposes of presentation. F&S is an independent agency and is not related to the Company, its Directors, Promoters, Selling Shareholders, Subsidiaries or BRLMs. There are no parts, data or information relevant for the proposed Offer, that has been left out or changed in any manner. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient 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. See also, "Risk Factors - We have commissioned an industry report from Frost & Sullivan which have been used for industry related data in this DRHP and such data has not been independently verified by us" on page 44. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. While preparing its report, F&S has also sourced information from publicly available sources, including our Company's financial statements. However, financial information relating to our Company presented in other sections of this Draft Red Herring Prospectus has been prepared in accordance with Ind AS and restated in accordance with the SEBI ICDR Regulations. Accordingly, the financial information of our Company in this section is not comparable with Ind AS financial information presented elsewhere in this Draft Red Herring Prospectus.*

1 Global Pharmaceutical Industry Overview

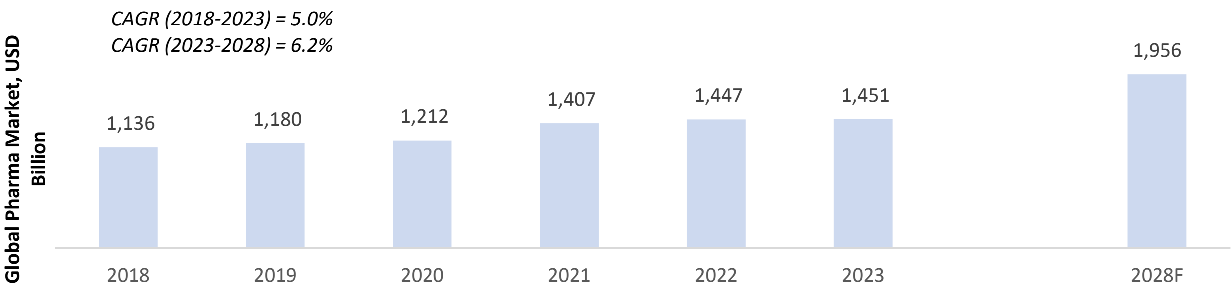
1.1 Market Size and Growth Potential

Resilient and sustainable long-term growth has been evident in the Global Pharmaceutical industry, particularly driven by an increase in chronic diseases, sedentary lifestyles, growth of the geriatric population and increasing health consciousness. The global pharmaceutical industry is undergoing a transformation across its entire value chain led by increasing focus on product innovation and operational optimization.

The global pharmaceutical market was valued at USD 1,451 billion in 2023 and is projected to reach USD 1,956 billion by 2028, growing at a CAGR of 6.2% from 2023 to 2028. This growth is primarily attributable to factors like increasing incidence of chronic diseases, sedentary lifestyles leading to diseases and increased health consciousness amongst people. The aging population is also an amplifying factor driving demand- according to WHO, from 2015 to 2050, the percentage of the global population over 60 years will nearly double from 12% to 22% and is anticipated to reach approximately 2.1 billion by the year 2050.

The global pharmaceutical sector is undergoing a profound transformation across its entire value chain, driven by a strong emphasis on product innovation, healthcare equity (healthcare for all), technological advancements, operational efficiency, enhanced engagement with healthcare providers and patients and favourable policies. Despite facing inherent challenges within this transformative landscape, the pharmaceutical industry has demonstrated remarkable agility and delivered ground-breaking innovations, particularly highlighted during the COVID-19 pandemic, enjoying resilient growth.

Exhibit 1.1: Global Pharmaceutical Market, 2018 - 2028F



Source: IQVIA Global Use of Medicines- 2024, Evaluate Pharma, Frost & Sullivan

1.1.1 Global Pharmaceutical (Pharma) Market by Modalities[2]

The global pharma market comprises primarily of 2 key types of drugs by modality: small and large molecule drugs.

Small molecule drugs have been the mainstay of the pharmaceutical industry for over a century. Defined as any organic compound with low molecular weight, small molecule drugs are known for their affordability, ease of administration (largely orally), and broad therapeutic coverage. Small molecule drug substances are typically manufactured using synthetic chemistry processes.

In contrast, large molecule drugs, or biologics, have a large molecular weight and made of proteins that are complex in structure compared to small molecule drugs. Large molecule drugs are costly to manufacture and, at this time, in most cases can only be administered by injection or infusion. Large molecule drug substances are typically manufactured biologically, i.e. extracted from living organisms, but often include certain synthetic chemistry processes. Antibody Drug Conjugates (ADC) are one such example, which combine antibodies made through biological means with small molecule drug substances made through synthetic chemistry processes.

The Global Pharmaceutical market is dominated by small molecules today, accounting for over 65% of the market by revenue in 2023. Over the past decade, advances in technology, synthetic methodology, and new areas of biology have opened up more opportunities for innovative and creative small-molecule drugs. The dominance of small molecules is anticipated to persist, led by ongoing research and development (R&D) efforts in small molecules, such as modulating RNA splicing, stimulating specific types of stem cells, and developing drugs with antibody or peptide conjugates, to name a few.

The pharmaceutical industry is also witnessing a rise of large molecules or biologics in recent years. Biologics are known for their efficacy and targeted action. Valued at USD 480.0 billion in 2023, the biologics market is forecasted to reach USD 752.1 billion by 2028, with a compounded annual growth rate (CAGR) of 9.4% from 2023 to 2028. While the biologics market is expected to grow faster than the overall pharmaceutical market over 2023-28F driven by the increasing adoption of innovations such as immunotherapies, antibody-drug conjugates, and gene and cell therapies, small molecules are expected to continue comprising 62% of the overall pharma market in 2028F.

Exhibit 1.2A: Global Pharma Market by Modality, 2018 - 2028F

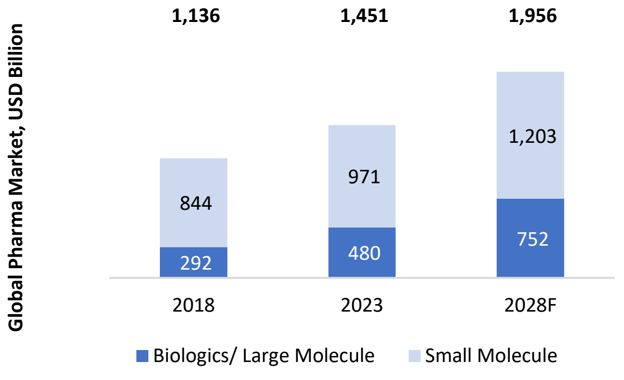
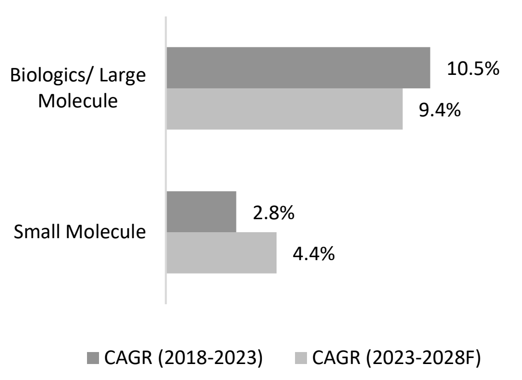


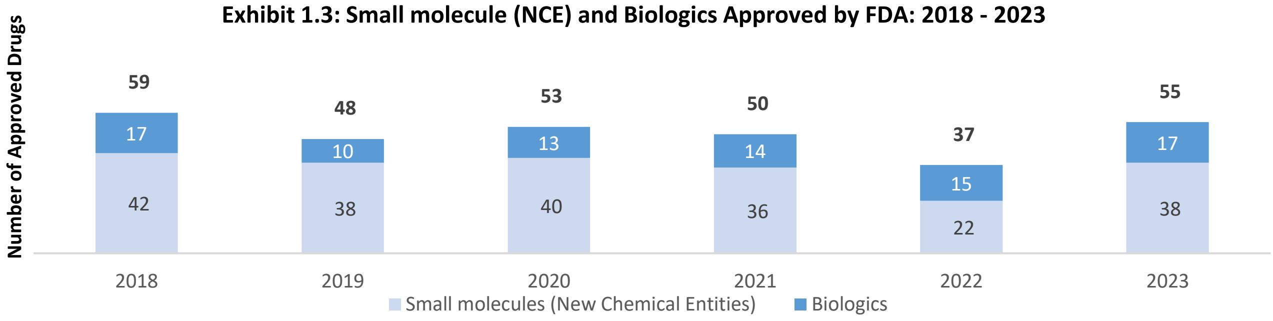
Exhibit 1.2B: Growth Rate of Global Pharma Market by Modality, 2018 - 2028F



Source: IQVIA Global Use of Medicines- 2024, Evaluate Pharma, Frost & Sullivan

Furthermore, the dominance of small molecules in new drug approvals underscores their prominence. Over the period from 2018-2023, an aggregate of 302 drugs were approved by the US FDA, of which 72% were small molecule NCEs.

Exhibit 1.3: Small molecule (NCE) and Biologics Approved by FDA: 2018 - 2023



Source: USFDA, Frost & Sullivan

---

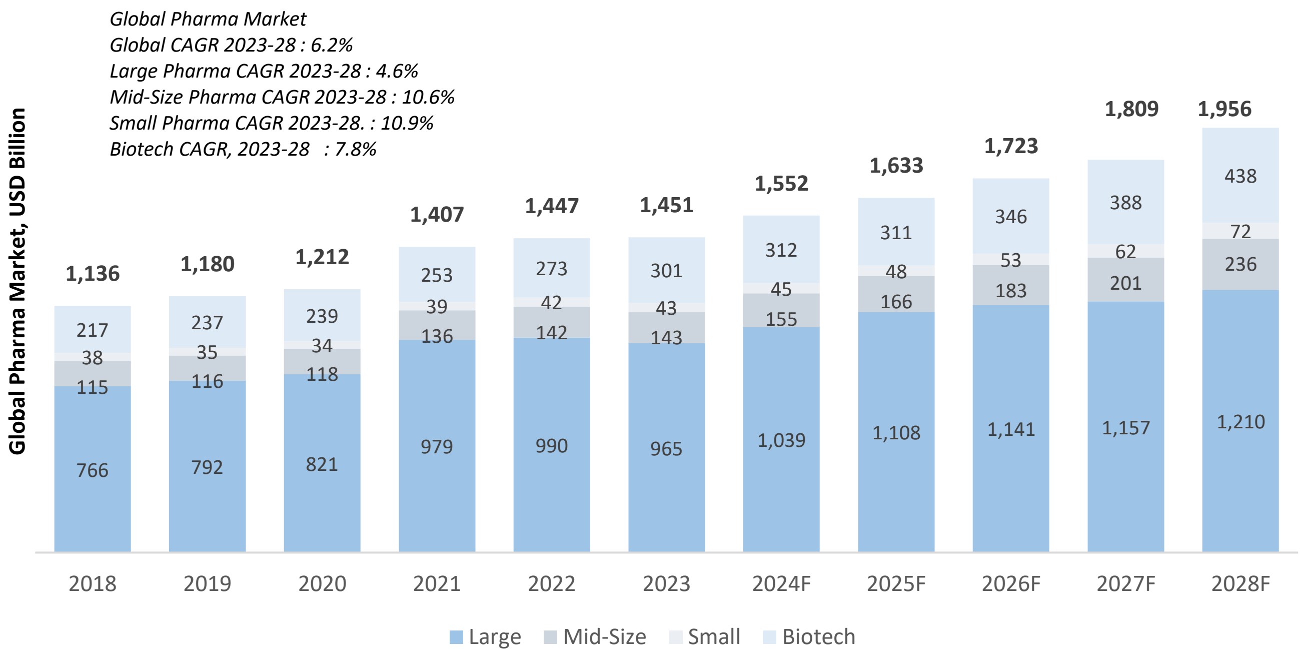
[2] Large molecules or biologics refer to vaccines, antibody therapies, recombinant proteins, vaccines, cell and gene therapies and peptides.

1.1.2 Global Pharmaceutical Market by Company Type

Currently, the global pharmaceutical market is dominated by large global pharmaceutical companies (Pharma companies with revenues > USD 10 billion). Mid-size pharmaceutical companies comprise companies with revenues in range of USD 500 million to USD 10 billion). Small pharmaceutical companies with annual revenue lower than USD 500 million and biotechnology companies ("**biotechs**"), are growing rapidly as compared to large pharmaceutical companies. This growth has been fueled by capital investment, including venture capital investment, in these companies.

Global Pharma Market is witnessing an increasing rise of Biotechnology companies comprising c.20.8% of the overall market in 2023. Biotechs are the fastest growing segment within the global pharma market, registering CAGR of 6.8% over 2018-2023F and expected to grow at a CAGR of 7.8% over 2023-28F. In this context, biotechnology companies, often referred to as biotech companies, are largely startups in the pharmaceutical sector which typically focus on developing innovative drugs and drug development technologies to address unmet medical needs.

Exhibit 1.4: Global Pharma Market by Company Size, 2018-2028F



Source: Evaluate Pharma, Frost & Sullivan

1.1.3 Global Pharmaceutical Market by Drug Type

Innovator drugs will keep gaining market share with breakthrough science and expanded utilization to new therapy areas.

Innovator drugs refer to first drugs created containing specific active ingredients and undergo approval or patent process for use. Generic drugs, on the other hand, refer to pharmaceutical drugs that have the same chemical composition as the original innovator drug and can be sold by companies after the patent on the original drug expires.

With more global pharmaceutical and emerging biotech companies investing heavily on innovative drug R&D and with the increasing trend of personalized medicine, the size of the global innovator drugs market increased from US$564 billion in 2018 to US$737 billion in 2023. The innovator drug market is set to grow at CAGR of 7.3% over 2023-2028F to USD 1046 billion by 2028, faster than the overall pharmaceutical market growth. Strong and increasing focus on R&D by pharmaceutical companies is a key driver for the growth of innovator drug market. Biotechnology and pharmaceutical research advancements have led to the discovery of novel drugs that offer improved efficacy, safety, and convenience compared to existing treatments. Growing healthcare spending has provided new opportunities for drug manufacturers to introduce innovative therapies and providing treatment for unmet medical needs. Precision medicine and personalized therapies have become more prevalent, driven by advancements in genomics and molecular diagnostics, enabling the development of targeted treatments tailored to individual patients.

Exhibit 1.5A: Global Pharma Market by Product Type, 2018 - 2028F

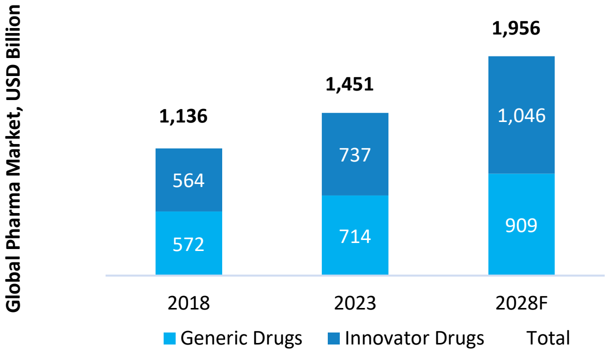
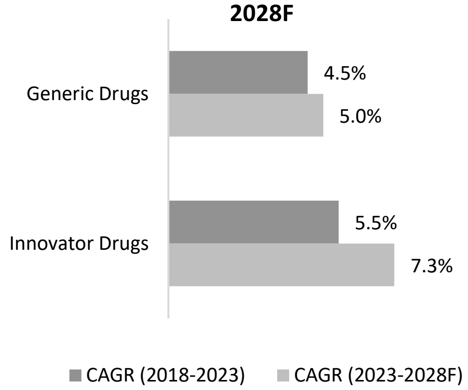


Exhibit 1.5B: Growth Rate of Global Pharma Market by Product Type, 2018 - 2028F

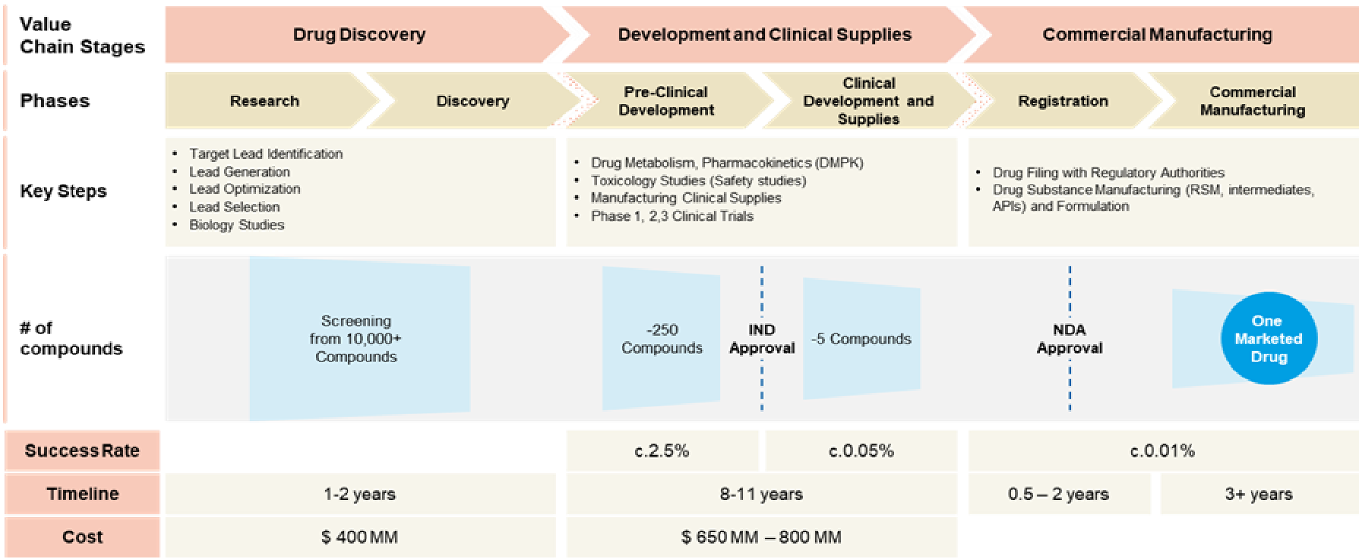


Source: IQVIA Global Use of Medicines- 2024, Evaluate Pharma, Frost & Sullivan

The generic drugs market is also expected to witness a CAGR of 5.0% between 2023 and 2028. Rising competition in the generic drug industry has put a strong pressure on generics pricing in recent years especially in the US. While generics drugs are expected to experience a higher volume growth, pricing pressure will partially offset the value growth.

1.2 Global Pharmaceutical Innovator R&D

1.2.1 Pharmaceutical R&D Value Chain



Source: Frost & Sullivan

In the pharmaceutical industry, a new drug needs to go through extensive testing and regulatory review to examine and verify its safety and efficacy before it is allowed to be released to the market. On average, the process typically takes more than 10 years and requires over US$1 billion in R&D costs from early stage drug discovery to commercialization. The success rate for developing a new drug from drug discovery to approval is extremely low, and can be lower than 0.01%.

Drug Discovery Phase:

Drug Discovery phase constitutes the processes from target identification to target validation to lead generation and lead optimisation. During this stage thousands of compounds are narrowed down to a few hundred with promising potential. Basic research on the physiological target and development of hypothetical mechanisms of action which could potentially bring about the desired outcome is undertaken. Researchers then look for a lead compound—a promising molecule that could influence the target in line with the projected hypotheses and potentially become a medicine.

Development and Clinical Supplies Phase:

Preclinical Development: Exhaustive laboratory and animal experimentation of the preclinical drug candidates for safety and therapeutic effect to determine whether a compound is suitable for human testing. The process may take several years, and the data generated during this stage is a critical part of the dossier to regulatory bodies to receive approvals for conducting clinical trials.

Clinical Trials: Promising drug candidates are presented to regulatory authorities for permission to conduct human clinical trials via "Investigational New Drug Applications". Once approved, these drug candidates are referred to as an Investigational New Drugs ("IND"). INDs proceed to clinical trials which are studies in humans to determine the safety, efficacy, and suitable drug dosage of potential drug candidates.

Drug Substance Development: Covers early stage and late-stage process development and optimisation. Small quantities of drug substance are manufactured under non-GMP conditions for toxicology evaluation and under GMP conditions for initial clinical studies. Depending on the outcome of these studies, larger quantities of drug substance are manufactured for late-stage clinical programs. In this stage, there is increasing emphasis on developing a robust, scalable, safe, and efficient manufacturing process which can be used for subsequent commercialisation of the drug.

Clinical Supplies/ Drug Product Development: Covers early stage and late-stage formulation development and manufacture. As the molecule moves further along the development cycle, the formulation becomes increasingly nuanced in line with the data being generated through the trials. The key formulation types are oral solid dosage forms (tablets, capsules, drug-in-capsule), oral liquid dosage forms (solutions and suspensions), injectable dosage forms (solutions and lyophilised), and modified release oral dosage forms (functionally coated mini-tablets, drug layered beads as well as matrix tablet formulations).

Commercial Manufacturing:

Manufacturing facilities must be carefully designed so that the commercialised product can be consistently and efficiently produced at the highest level of quality. High standards to ensure safety and quality in the manufacturing process are to be used. Companies must adhere to FDA or all other relevant regulations for manufacturing.

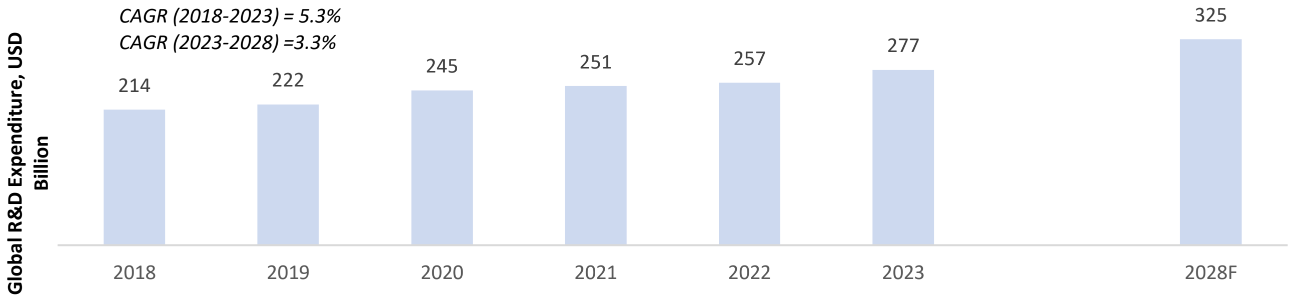
1.2.2 Global Pharmaceutical Innovator R&D Spend Trends

Global pharmaceutical innovator R&D spending is expected to increase at a CAGR of 3.3% between 2023 and 2028. Pharmaceutical R&D spending includes R&D spends by both pharmaceutical companies as well as biotechnology companies (together referred to as "Pharma innovators")

Global spending on pharmaceutical R&D has increased significantly, from $213.8 billion in 2018 to $276.8 billion in 2023. This increase is attributed to the rising complexity of drug discovery and development processes, requiring significant investments in research infrastructure and advanced technologies. The average cost to develop and commercialize a new drug today exceeds USD 1 billion per drug, a tenfold increase since the 1970s.

With increasing market competition and shifting market dynamics, patent expirations and generic erosion, R&D is critical for pharmaceutical companies to sustain competitive advantage and driving future growth.

Exhibit 1.6: Global R&D Expenditure, 2018 - 2028F

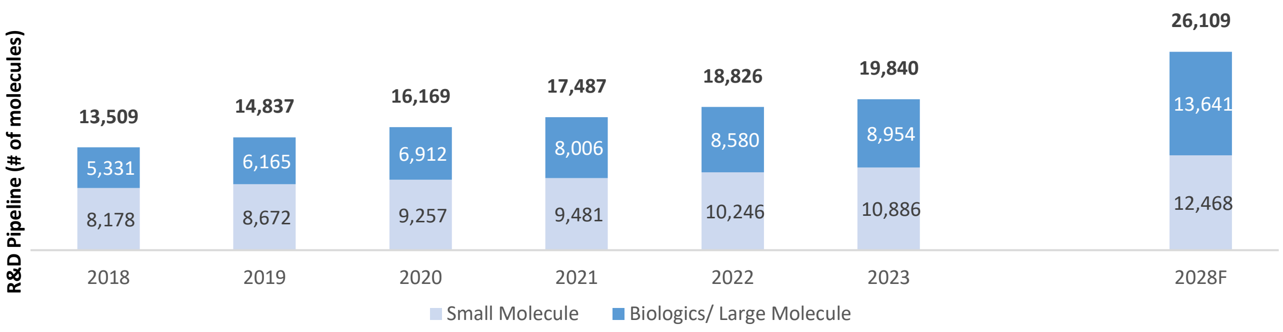


Source: Pharmaprojects, Evaluate Pharma, Frost & Sullivan

R&D Pipeline by Modality

Number of molecules in R&D stage on the rise; Small molecules will continue to have a significant share: In the year 2023, nearly 20,000 molecules were in different stages of development (from Preclinical to launch). Small molecules currently comprise a large proportion of the molecules under development. While biologics/large molecules R&D pipeline is expected to grow faster, small molecules will continue to comprise c.48% of the R&D pipeline in 2028F.

Exhibit 1.7: Global Pharmaceutial R&D Pipeline, 2018 - 2028F

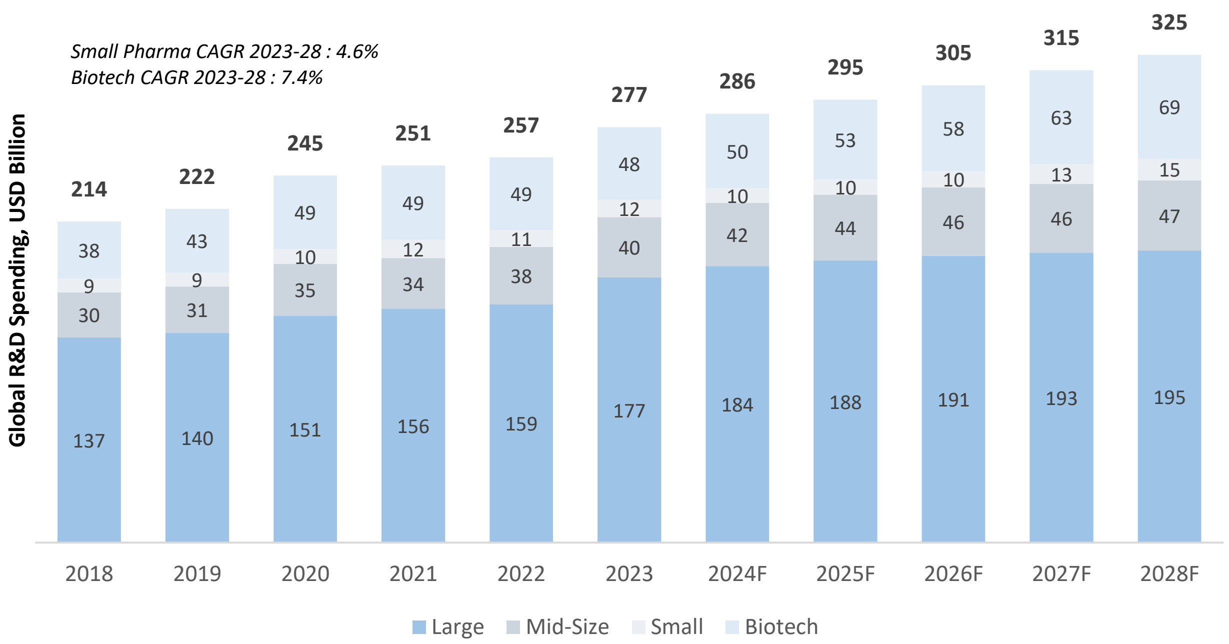


Source: Pharmaprojects, Evaluate Pharma, Frost & Sullivan

R&D Spending by Company Type

R&D spend by Large Pharma form the largest segment of R&D spends; Small pharma and biotechs R&D spend expected to register the fastest growth over 2023-28F

Exhibit 1.8: Global R&D Spending by Company Size, 2018-2028F



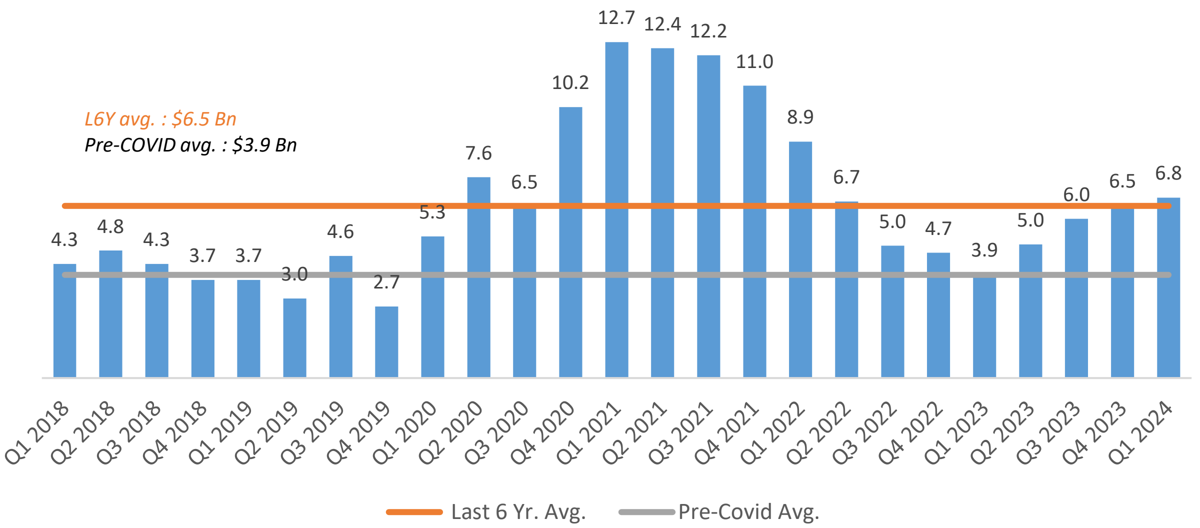
Source: Pharmaprojects, Evaluate Pharma, Frost & Sullivan

Large pharma companies contributed approximately 64% of R&D expenditures in 2023, and growing at a CAGR of 5.3% during 2018-23. Going forward, R&D spend by small pharma and biotech companies is expected to grow faster and their combined share is expected to grow from 22% of global R&D expenditure in 2023 to 26% by 2028. The small pharma and biotech companies are expected to register a healthy growth rate of 4.6% and 7.4% respectively over 2023-2028. The share of R&D spends by biotechs are robust, led by the availability of venture capital (VC) funding for early-stage biotech companies. VC investments in this sector have surged from USD 17.1 billion in 2018 to USD 21.4 billion in 2023. Increasing ease of technology access and drug discovery is also enabling higher innovation from small pharma and biotech companies.

Biotech VC funding remains above pre-covid levels

Biotech VC funding has remained at a much higher levels as compared to the pre-covid averages despite slowdown post-covid. The funding has now started to pick-up pace and has crossed 6-year average mark in Q1 2024. With uptick in Biotech funding in the recent quarters, R&D spend by these companies is expected to drive growth in overall Pharma R&D.

Exhibit 1.9: PE/VC Funding in Biotech, 2018-2024 (USD Bn)



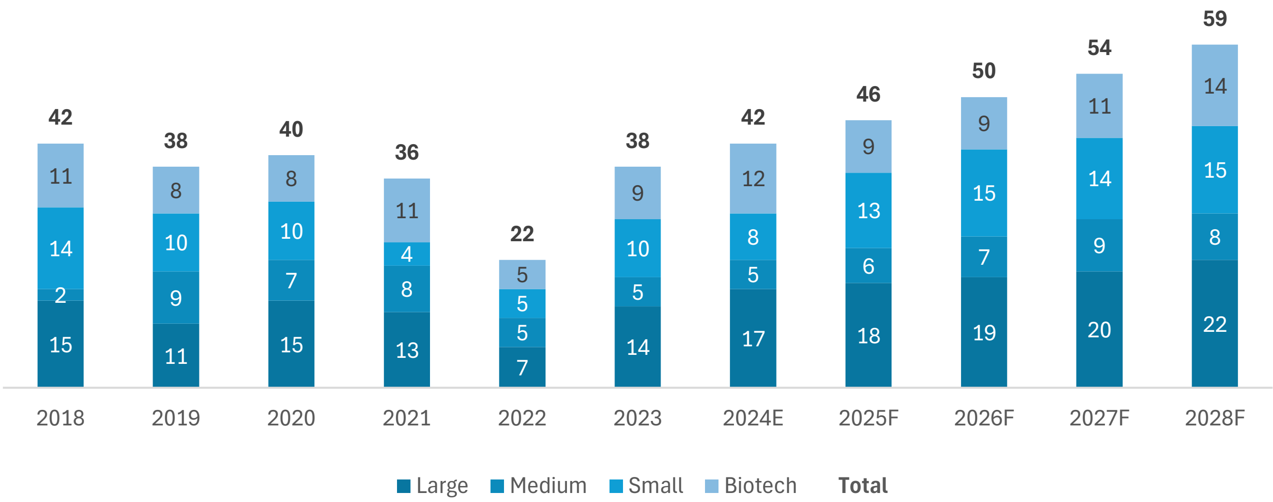
Note: 2018-2019 were considered under pre-COVID years

Source: Bay Bridge Bio, S&P Global, Global Data, Pharma Intelligence Center, Frost & Sullivan

Biotechs and small pharma have led the new drug approvals in the last 5 years and this trend will continue

Biotechs and small venture-capital-backed pharma startups have been the key drivers of innovation in recent years. From 2018-2023, the FDA approved 216 small molecule (NCE) drugs, of which 105 (49%) were developed by small pharma companies and biotechs. The trend is expected to continue and over 2024-2028F, c.48% of NCEs will be by small pharma companies and biotechs, with biotech comprising c.22% of the NCEs.

Exhibit 1.10: FDA Approved NCE by Originator, 2018-2028F

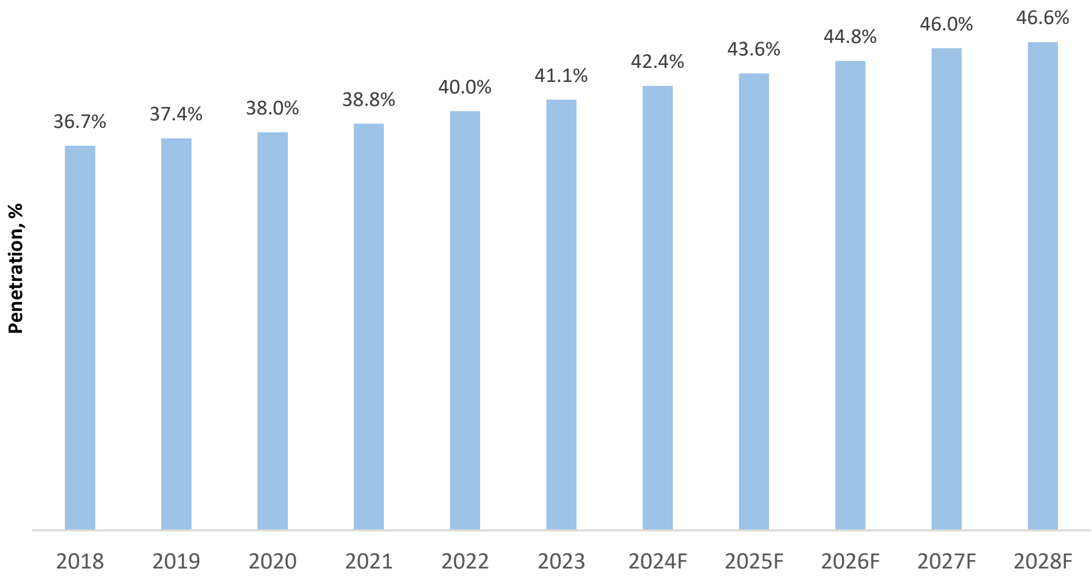


Source: USFDA, Frost & Sullivan. The 2024-2028 numbers are indicative only

1.2.3 Global Pharmaceutical Innovator R&D – Increasing Trend of Outsourcing

The pharmaceutical and biotech industry is characterized by certain challenges, notably the R&D expertise and associated costs required to develop portfolio of increasingly complex drugs, the high capital expenditure required to establish and maintain manufacturing units, the need for technical know-how and trained workforce, increasing pricing pressure from payors and governments alike, navigating disruptions within the supply chain, and regulatory compliance, among others. As a result of these challenges, global pharmaceutical companies have sought to control their costs and improve their efficiency, and the industry has witnessed a trend of increased R&D outsourcing by pharmaceutical companies.

Exhibit 1.11: Outsourcing penetration in Overall R&D Spend, 2018-2028F



Source: Frost & Sullivan

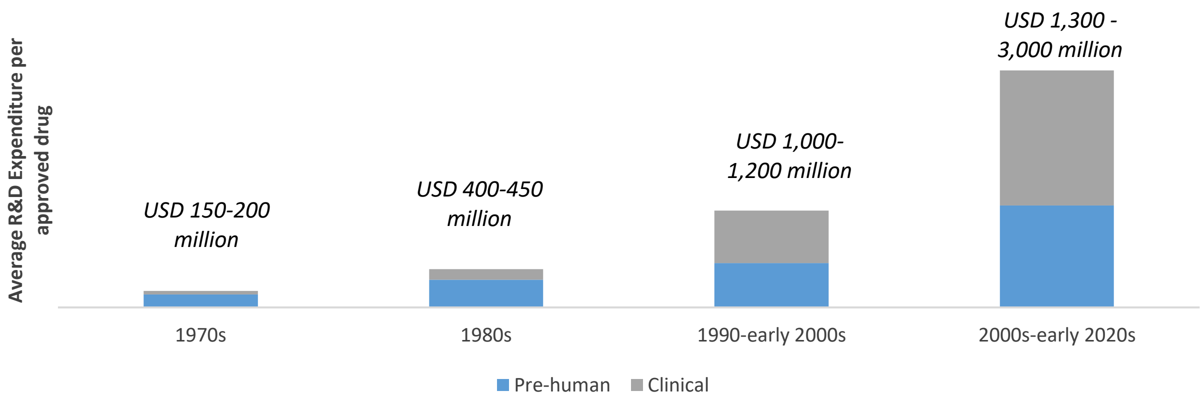
The overall penetration of the global R&D outsourcing services market increased from 36.7% in 2018 to 41.1% in 2023. The penetration is further expected to grow to 46.6% by 2028F.

Challenges faced by pharmaceutical innovators prompting outsourcing

Below are details on key challenges faced by pharmaceutical companies leading to increasing preference for outsourcing in recent years:

1. **Increased Costs**: Drug discovery is a complex and costly process comprising several stages. The average cost to develop and commercialize a new drug today exceeds USD 1 billion per drug, a tenfold increase since the 1970s. Setting up own manufacturing facilities to produce commercial and in-pipeline drugs is not cost effective for pharma innovators. The pharmaceutical innovators have responded to R&D productivity challenges by seeking to improve the return on investment for R&D spending by realising efficiencies through outsourcing.

Exhibit 1.12: R&D Expenditure per approved drug: 1970-2020



Source: Frost & Sullivan

2. **Lengthy R&D processes with low success rates**: With increasing complexity in drug technology and stringent regulations, drug discovery to commercialization timelines have significantly increased and doubled from average 6 years in the 1970s to 13.5 years in the 2000s.

   Only a small fraction of experimental drugs, ranging between one in 10,000 to 15,000, successfully transition from preclinical trials to regulatory approval and commercialization. Specifically, the composite success rate across Phase I through regulatory submissions was at a decade-low of 5.9% in 2023, compared to 6.3% in 2022 and 7.5% in 2010. This further deters pharmaceutical companies from making investments in their own manufacturing facilities, as there is uncertainty on which of their pipeline drugs will be approved.

3. **Constraint of resources for biotechs and small pharma companies**: Biotechs and small innovator pharmaceutical companies are mainly dependent on funding by financial sponsors. These companies generally are lean on resources, have limited infrastructure and may not have thorough experience in every aspect of drug discovery, development, and manufacturing. Overall in 2023, VC funding for biotech startups was c.$21 billion. They had over $150 billion aggregate funding over 2018-2023. With greater access to capital, biotech and small pharma firms are increasingly outsourcing their services, especially discovery and development to contract service providers.

4. **Increasing focus on reducing fixed expenses**: Rising costs of R&D, profit pressures arising from patent expirations and the need for greater flexibility have reduced the willingness of pharmaceutical companies to incur large upfront fixed costs associated with large scale R&D programs. Outsourcing allows them to convert a portion of their R&D budgets from an upfront fixed cost to a variable cost, giving them greater flexibility to shift strategic and development priorities in response to market conditions

5. **Increasing regulatory challenges**: The pharmaceutical industry is subject to stringent regulatory oversight and compliance requirements, which necessitate extensive expertise. Changing geopolitical dynamics can lead to new challenges such as IRA and Biosecure Act in recent times, making the environment for the pharma companies and biotechs even more challenging. The recently introduced Biosecure Act aims to prevent Chinese manufacturers from accessing US federal funding. This may lead to increasing diversion of business from US companies to other countries. IRA (Inflation Reduction Act) introduced in 2022 allows negotiation of some of the expensive drugs bought by the US national health insurance providers impacting the pricing power of the pharma companies.

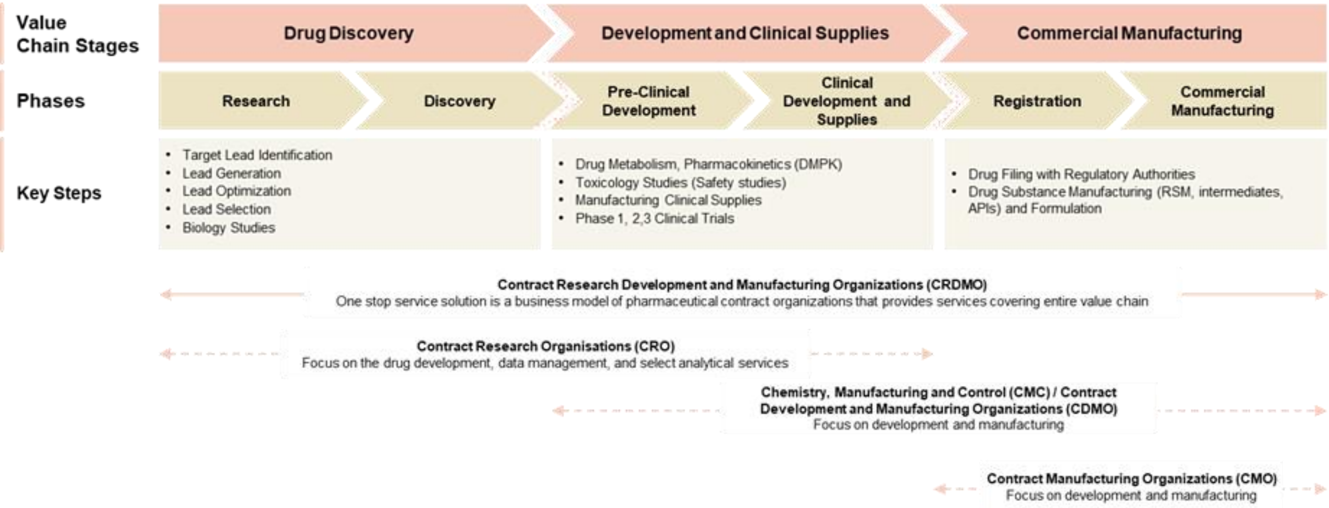
2. Contract Research Development and Manufacturing Organization (CRDMO) Industry

CRDMOs, who serve as outsourcing partners to pharma innovators, are playing an increasingly prominent role in the pharma value chain, from drug discovery to commercialization across multiple geographies, in response to increasing outsourcing demands from pharma innovators

2.1 Key Player Archetypes in CRDMO industry

CRDMO industry primarily comprises of 3 key types of players: CRDMOs (Contract Research Development and Manufacturing Organizations), Contract Research Organizations (CROs) and Contract Development and Manufacturing Organizations (CDMOs). CRDMOs are integrated contract service organizations which provide end-to-end services spanning the entire drug discovery, development, and manufacturing lifecycle. They provide pharmaceutical innovators with economically viable and tailored solutions for the various challenges they face across the value chain. By leveraging their expertise, infrastructure, and resources, pharmaceutical innovators can accelerate the drug development process, reduce costs, and access specialized capabilities that may not be available in-house.

CROs specialize in offering various scientific functions of the discovery, preclinical and clinical stages of pharmaceutical R&D. CDMOs provide commercialization manufacturing as well as process/formulation development to support the preclinical and clinical stages (also known as Chemistry, Manufacturing and Control (CMC) services).



Source: Frost & Sullivan

2.2 Emergence of CRDMOs: Integrated Discovery, Development and Commercial Manufacturing Services Across the Pharma Value Chain

CRDMOs with integrated services have gained significant traction in recent times, with an increasing inclination among pharmaceutical innovators to engage a singular partner for services covering the entire pharmaceutical value chain. This is even more relevant **for** small pharma innovator companies and biotechs which have a lean team with a few decision makers. Pharmaceutical companies generally collaborate with Contract Research Organizations (CROs) for drug discovery and Contract

Development and Manufacturing Organizations (CDMOs) for drug development and manufacturing, with some overlap in services such as API and formulation development. However, pharmaceutical innovators are increasing leveraging integrated CRDMOs for several benefits. By providing research, development, and manufacturing capabilities under one roof, integrated CRDMOs offer a seamless and efficient approach to drug development, from early-stage research to commercial production, enhanced collaboration, technology transfer and communication throughout the drug development process, leading to expedited decision-making, heightened efficiency, and improved project outcomes.

Integrated CRDMOs offer significant benefits:

1. **End to End Capabilities**: CRDMOs cover all services provided by CRO to CDMOs / CMOs, and have access to infrastructure, skilled talent and specialized technologies required for different services across the entire value chain from drug discovery to manufacturing. This provides multiple benefits including enabling streamlined transition from bench to market, enhanced collaboration with customers, cost savings, improved success rates, and accelerated time-to-market for pharmaceutical products. Also, end to end capabilities provide CRDMOs with cross-selling and up-selling opportunities across the value chain by leveraging existing relationship with customers.

2. **Efficiency**: CRDMOs eliminate the need for pharma innovators to select different outsourcing service providers for different stages in R&D and manufacturing respectively, thus enhancing coordinating and eliminating the associated risk of transferring technology between multiple service providers. Having one single partner across the value chain is more cost-efficient vs employing multiple partners across the chain and provides customers with the benefits of speed, cost and innovation through continuity of in-depth knowledge and rapid transition through the various phases of drug development. For instance, during the discovery phase, having Chemistry and Biology capabilities with one CRO enables efficient transfer of compounds for testing as well as quick feedback on the properties of each drug-like molecule to enable redesign of better molecules. Similarly, having discovery chemistry and process chemistry under one roof helps ensure that principles of scalable manufacturing are incorporated even at the pre-clinical stages, which reduces time taken to transition to clinical stages. Also, having process development and manufacturing within the same organization ensures that not only efficient chemistry is developed, but also ensures that the right equipment and manufacturing conditions for high volume commercial manufacturing are selected.

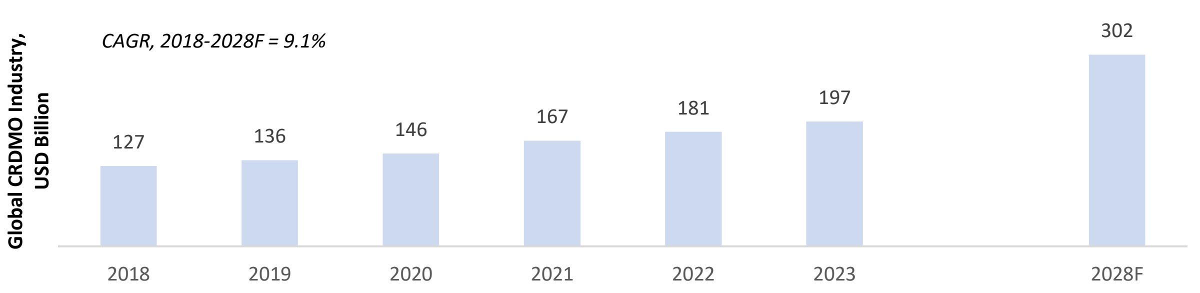
3. **Multiple entry points for client engagement**: An integrated approach broadens the opportunity landscape for CRDMOs, allowing them to enter new drug development programs with existing or new customers and to expand their involvement in these programs from inception to commercialization. Integrated CRDMOs are able to take over programs that are partially developed at other CROs, CDMOs or in-house labs, and as such offers multiple entry points for client across the pharma value chain, leading to higher customer win rates, increased share of wallet, and improved customer retention.

4. **High barriers to entry:** Functioning as a full-service CRDMOs with global capabilities presents a distinctive advantage, underscored by the notable barrier to entry inherent in this sector. While limited service CROs and CDMOs may find ingress into certain service segments relatively attainable due to fewer barriers, the full-service CRDMO model necessitates establishing a comprehensive, robust, and sophisticated infrastructure. This infrastructure is crucial for providing end-to-end solutions, managing complex projects across multiple locations, forming strategic partnerships, and cultivating expertise across the value chain to meet the diverse needs of clients. Moreover, successfully functioning as a full-service CRDMO mandates a requisite scale and capital allocation to achieve scale, digitalize, and drive change in the ecosystem.

2.3 Global CRDMO Industry Size

In 2023, the global CRDMO industry was assessed at an estimated value of USD 197 billion. The industry is anticipated to expand at a CAGR of 9.1% over the forecast period, culminating in USD 302 billion by 2028.

Exhibit 2.1: Global CRDMO Industry, 2018 - 2028F



Source: Frost & Sullivan

The CRDMO industry comprises of discovery, preclinical, development and commercial manufacturing services. Traditionally, pharmaceutical companies retained in-house control over discovery and preclinical stages due to intellectual property (I.P.) sensitivities while outsourcing these activities. However, with the emergence of smaller pharmaceutical and biotech firms and enhanced IP protection protocols at CRDMOs, there has been a noticeable surge in the outsourcing of these services. The drug discovery industry stands at USD 13 billion in 2023, while the preclinical development industry was at USD 10 billion in the same year. In line with the growth in the overall Research and Development (R&D) spending, the discovery and preclinical services industry is projected to reach a cumulative value of $37 billion in 2028 and comprise 41% of total R&D spend in these areas.

Source: Frost & Sullivan

Exhibit 2.2A: Global CRDMO Industry by Functions, 2018 - 2028F

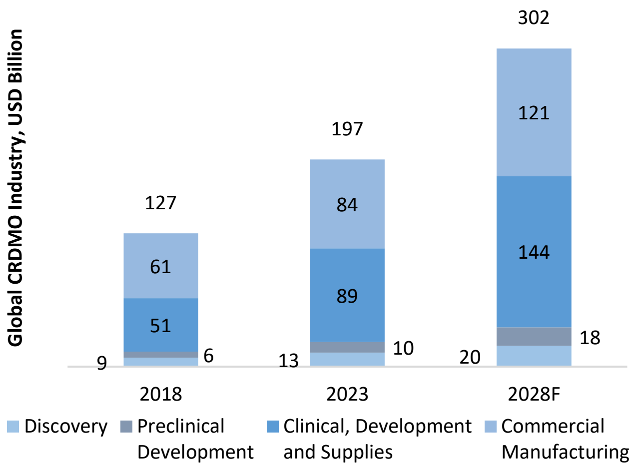
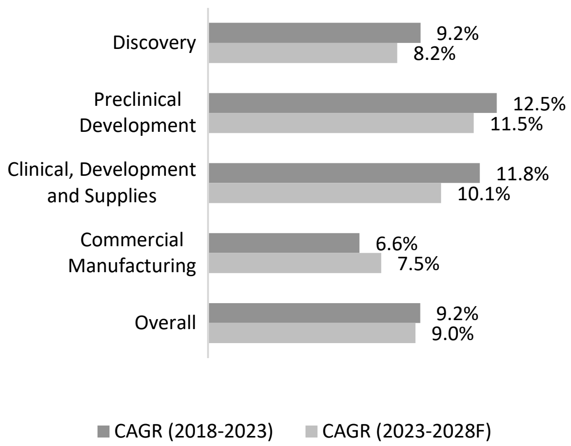


Exhibit 2.2B: Growth Rate of Global CRDMO Industry by Functions, 2018 - 2028F



2.4 Key Success Factors for CRDMOs

Pharma innovators seek reliability, scientific capabilities, technical as well as problem solving capabilities and compliance track record while selecting the right partner in this highly fragmented CRDMO industry. For large pharma players, Environment, Health & Safety (EHS) controls are also a key criteria while for biotechs who operate with lean skeleton teams and are smaller in scale, price, one stop offering and reliance by large pharma companies are key differentiators. Below are some key criteria that help CRDMOs stand out and emerge as long-term partners for pharmaceutical innovators

1. **Full service offering**: Pharma innovators highly value expertise across the various stages of the value chain ranging from drug discovery, development to manufacturing. Integrated, one-stop service solutions are increasingly being preferred by pharma innovators as it eliminates the need for them to select different contract service providers for different stage of R&D and manufacturing respectively, reducing the cost, time, and risk of technology transfer among different outsourcing organizations.

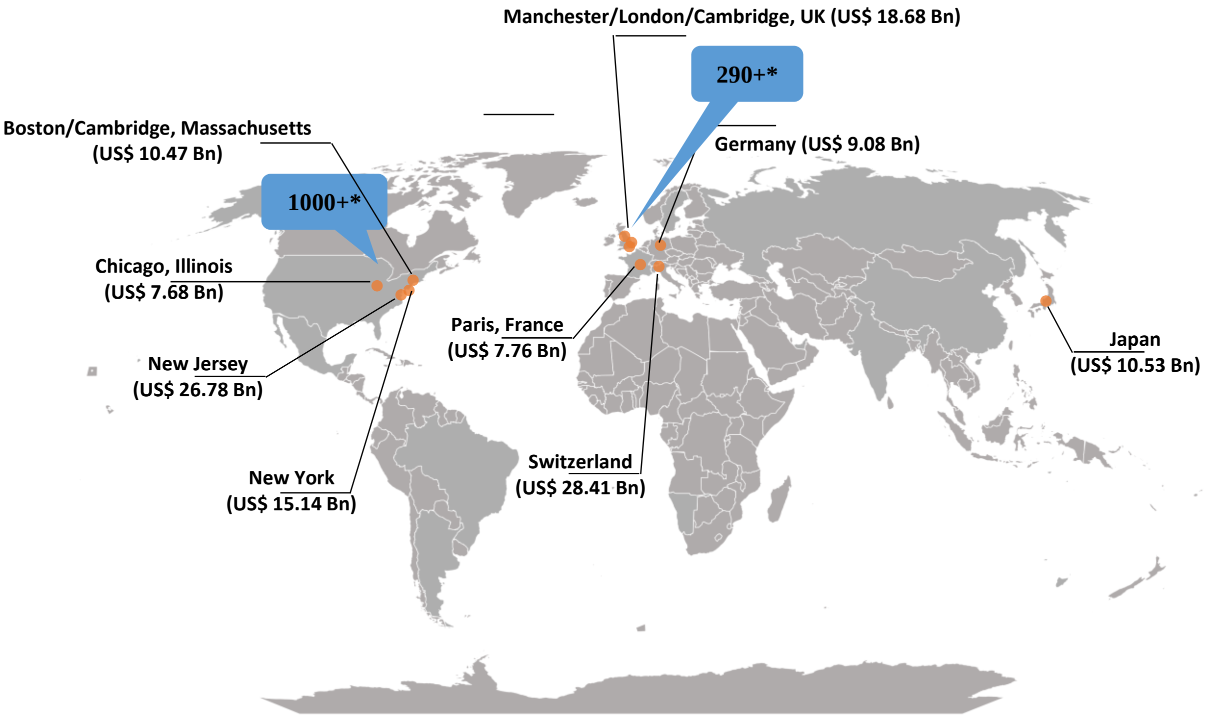
   CRDMOs with the capability to provide integrated solutions have scientific insights and know-how across different scientific functions and disciplines at different drug R&D stages. For example, pharma innovators prefer co-located technical competencies spanning across chemistry, biology, DMPK services for their integrated drug discovery projects, where all these scientific services are conducted by a single service provider for time and cost efficiencies. With more comprehensive understanding from various scientific disciplines on the specific molecule profile, the same service provider will be able to provide R&D services on such molecule in a more efficient manner and achieve project excellence.

   This is even more important for biotechs who operate with lean skeleton teams, have limited infrastructure, and are smaller in scale, making price and one stop offering the key criteria for them in selecting outsourcing partners.

   CRDMOs due to their capabilities across the value chain get inherent benefit against any market volatility in any of the areas of the value chain. The integrated presence allows them to balance any fluctuation in demand, as downturn in CRO operations due to slowdown in funding can be offset by steady demand from manufacturing services, and vice versa. This diversification ensures a more stable revenue stream and offers increased business resilience.

2. **Strategic Presence Close to Customers**: CRDMOs can gain competitive advantage by adopting a balanced approach that combines onshore research expertise and customer proximity with the scalability and cost advantages of offshore delivery. A global presence enables CRDMOs to cater to a diverse global client base, leveraging their expertise and resources to meet clients' unique requirements in different regions and maintaining the requisite connection and trust. Also, companies can access super-specialized expertise and resources, facilitating innovation and enhancing their competitive edge in the market.

Global Pharma and Biotech Innovation Hubs



Source: Frost & Sullivan

*Note: *Number of Biotech and Pharma companies*
Figures mentioned in the bracket are total R&D spending in US$ Bn.
In 2022, approximately 57% of global R&D spending were in these nine pharma hubs. Boston, London and Manchester do carry out significant Pharma & Biotech activities with ~11% of global R&D spending in these regions.

There have been numerous success stories of CRDMOs establishing labs and research facilities closer to customers with larger R&D and manufacturing in low-cost geographies. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while their facilities in low-cost geographies like India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products. For example, in drug discovery, biology assay development can happen in these innovation hubs and these assays can be transferred to cost-competitive locations to enable faster and cost-effective screening of large numbers of compounds. Companies like Wuxi and Pharmaron have gained immensely by establishing labs and smaller operations in proximity to innovation hubs in US and Europe while retaining larger delivery operations in China. Wuxi and Pharmaron have seen significant revenue growth (Wuxi Revenue CAGR 2019-2023; 32.4% and Pharmaron Revenue CAGR: 29.5%) between 2019 and 2023, some of their growth is also attributed to their proximity to innovation hubs where a lot of R&D activities are conducted. Sai is also one of the few Indian CRDMOs to combine discovery and development operations in the US, the UK and India, with large scale research and manufacturing capabilities in India. It has strategic presence in close proximity to innovation clusters in Boston, United States and Manchester, United Kingdom. They are the only CRDMO amongst the listed Indian peers that can conduct development activities in proximity to their customers and transfer technology for manufacturing back to India. They have established a fully integrated CRDMO platform with access to the best talent from across the world.

3. **Strong Operational Capabilities**

   a. **Technical Capabilities:** Comprehensive technical capabilities including awareness of latest technologies provide a strong competitive edge to CRDMOs. They must build a strong and experienced team and make continued investments to broaden their scientific expertise and service offerings, which helps them retain existing customers, attract new customers and expand their collaboration with their customers

   b. **Infrastructure capabilities**: CRDMOs must be agile in responding to different volume needs and proficient in handling multiple drug modalities, including complex active ingredients, formulations, routes of delivery, and dosage forms, amongst others. They should be able provide equipment and researchers specializing in different areas needed for different services across the entire value chain from drug discovery to manufacturing. In manufacturing, drug volume requirements can vary greatly, for instance from 10 tons per year to less than half a ton annually. Ability to optimize manufacturing resources accordingly improves profitability of the companies.

c. **Compliance with global quality standards and IP protection requirements:** Clean track record of regulatory compliances is one of the critical factors in evaluation by any pharma innovator. Maintaining quality standards designed to meet global requirements is essential to attract customers especially the large pharma companies who in some cases have requirements which may be more stringent than regulatory requirements. Adequate systems and processes in place to protect confidential information in addition to a verifiable track record of IP protection is also important.

d. **Strong Delivery Track Record**: A successful project delivery track record is a key criterion for pharma innovators while selecting a CRDMO partner. Since efficiency and cost-effectiveness are the primary drivers for outsourcing, CRDMOs must adhere to pharma innovators' budgets while ensuring timely delivery.

4. **Ability To Manage Risks And Challenges**: CRDMOs face several challenges, such as recruiting and retaining skilled professionals in fields such as chemistry, biology, engineering, and regulatory affairs; fluctuations in global economic conditions and trade policies, currency exchange rates; disruptions in the supply chain across a complex network of suppliers and vendors for raw materials and equipment; managing excess capacity in case of demand depressions, among others. Proactive risk identification and mitigation are also essential to prevent timeline delays and maintain trust in the customers. Robust risk management methodologies, transparent communication regarding timelines and budget goals are pivotal for fostering strong and reliable relationships with clients.

5. **Investments For Continuous Improvement**: To remain competitive, CRDMOs must continually enhance their capabilities and infrastructure. They should keep pace with rapid technological advancements in areas such as automation, data analytics, and bioprocessing. This involves developing expertise in emerging areas and investments to scale up infrastructure to serve multiple companies simultaneously. Moreover, adapting to industry trends like the increased use of highly potent compounds necessitates investments in improved containment, process automation, and skilled labor. Furthermore, embracing green and sustainable manufacturing practices is imperative to comply with increasingly stringent environmental regulations.

   In addition to investing in their capabilities and infrastructure, CRDMOs also need to focus on improving their speed, efficiency and overall performance in order to remain competitive. To achieve this, CRDMOs need to implement lean and agile methodologies that streamline their processes and eliminate waste. They also need to adopt a holistic approach to project management that integrates planning, execution, monitoring, and control. This can help them increase their asset utilization, reduce their cycle times, and enhance their customer satisfaction. Moreover, they need to invest in programs that reduce their cost and consumption of raw materials, solvents, energy, and other consumables. This can help them improve their margins as well as their environmental sustainability.

   Additionally, CRDMOs can leverage automation and digitalization to optimize their processes and workflows. Automation can help reduce human errors, increase productivity, enhance quality, and lower costs. Digitalization can enable better data collection, analysis, and sharing, leading to improved decision making, collaboration, and innovation. By using tools such as artificial intelligence, machine learning, and internet of things, CRDMOs can gain deeper insights into their operations, identify and resolve bottlenecks, and implement best practices across their projects. Automation and digitalization can also help CRDMOs adapt to changing customer demands and regulatory requirements, as well as create new value propositions and strengthen competitive advantage.

2.5 Challenges and risks for CRDMOs

The evolving landscape of CRDMOs in pharma industry brings forth additional challenges and risks. The industry is moving towards a collaborative model, with companies forming strategic partnerships and building deeper relationships. This is likely driven by a demand for more efficiency and expertise throughout the drug development process. CRDMOs are required to adapt to this changing environment through investments in newer technologies, and better infrastructure. They also need to tackle the complex and ever-changing regulatory environment to remain compliant and competitive. The following are some of the key challenges and risks for the CRDMOs

1. **Excess Production Capacity and Associated Costs:** Excess production capacity can lead to CRDMO facilities not operating at optimal levels. This underutilization of resources can result in increased fixed costs per unit of production, driving up the overall cost structure. CRDMOs may struggle to cover these fixed costs, leading to financial strain and potentially affecting their ability to invest in innovation and expansion. These additional costs can erode profit margins and reduce the competitiveness of CRDMOs in the market.

2. **Need of Experienced and Skilled Workforce:** Skilled staff is a critical asset for CROs and CDMOs. Limited availability of experienced and skilled talent pool can impact the quality and timeliness of services provided, potentially leading to delays in drug development and manufacturing. This challenge is further exacerbated by the increasing demand for specialized expertise in emerging areas. Life Sciences sector has seen significant voluntary turnovers in recent years. In 2019, the global average voluntary turnover rate stood at 13.2% in the life sciences sector, whereas in India this industry average rate ranges from 25-30%. To address the challenge of shortage of experienced and skilled workforce, CRDMOs must focus on attracting and retaining top talent, investing in training and development programs, and creating a positive work culture that fosters innovation and collaboration. Additionally, they must also consider implementing flexible work arrangements and competitive compensation packages to remain

competitive in the market. For example, Thermo Fisher has a training hub to reskill and upskill their employees, as they anticipate a resource scarcity.

3. **Regulatory Compliance Risks:** The advantages of CRDMOs are decentralized value chain management and connectivity, helping pharma speed up the process from end to end. However, the increasing decentralization of the supply chain poses additional challenges for CRDMOs. One of the key regulatory standards for ensuring pharmaceutical quality is the Current Good Manufacturing Practice (CGMP) regulations. These provides for systems that assure proper design, monitoring, and control of manufacturing processes and facilities. Adherence to these regulations is also critical for receiving approvals from USFDA, PMDA Japan, and other such regulatory bodies. CRDMOs are also required to comply with regulations and Good Document Practices (GDP) while collaborating with global partners. Also, regulations keep changing and are increasingly becoming more stringent, challenging the compliance of CRDMOs. For example, the ever-changing regulatory frameworks under the International Committee for Harmonization (ICH) require outsourcing providers to constantly adapt. In addition, sustainable manufacturing, which was largely good-to-have earlier, has now become imperative for CDRMOs. Pharmaceutical innovators can no longer operate without considering how their manufacturing process impacts the environment. Pharmaceutical companies are increasingly factoring in compliance to EHS and ESG standards as one of the key criteria for selection of outsourcing partner. It is thus crucial for CRDMOs to stay updated on current compliance standards and ESG policies while maintaining their commitments to their partnerships. In order to ensure that CRDMOs are prepared to pass regulatory audits, pharmaceutical companies routinely conduct strict GMP, Safety and Sustainability audits or inspections, either directly or receive access to audits conducted by the Pharmaceutical Supply Chain initiative (The Pharmaceutical Supply Chain Initiative (PSCI) is a group of pharmaceutical and healthcare companies who share a vision of excellence in safety, environmental, and social outcomes) or Ecovadis (EcoVadis is one of the world's largest and most trusted provider of business sustainability rating), of their current and prospective CRDMO partners. The ability to face and pass such customer audits is a critical risk for CRDMOs.

The CRDMO industry faces pressure to adapt and innovate in the competitive pharma sector. Shortage of skilled staff, excessive production capacity and associated costs, and complex global supply chains are some of the key risks that can hamper the overall efficiency of the CRDMOs.

2.6 Global CRDMO Industry by Modality

Exhibit 2.3A: Global CRDMO Industry by Modality, 2018 - 2028F

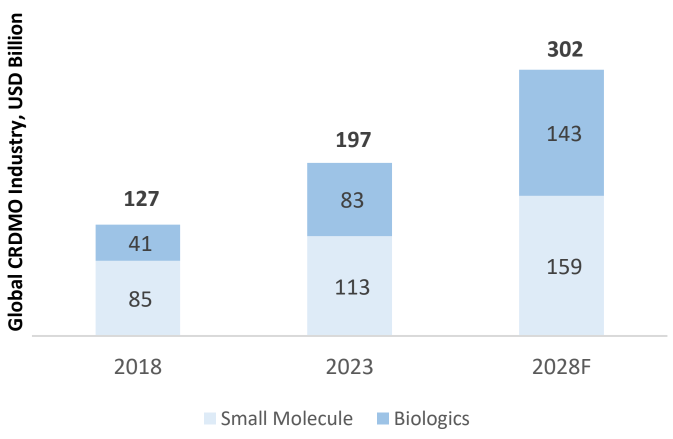
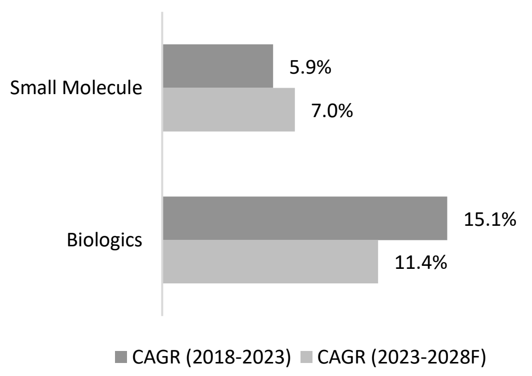


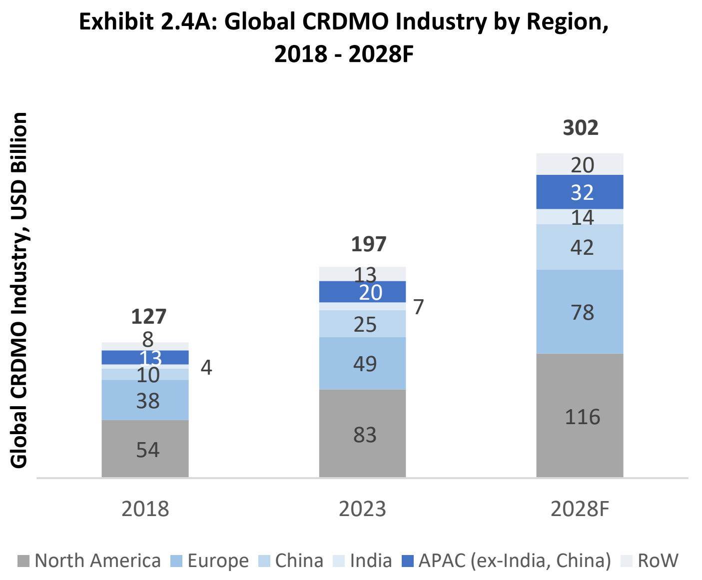
Exhibit 2.3B: Growth Rate of Global CRDMO Industry by Modality, 2018 - 2028F

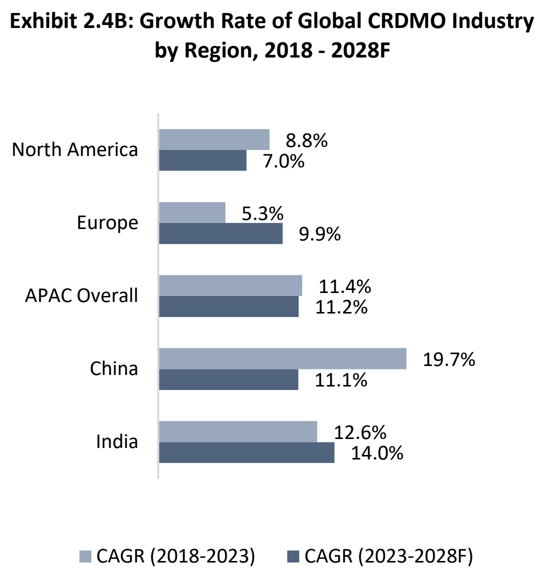


Source: Frost & Sullivan

The global small molecule CRDMO industry size was estimated at USD 113 billion in 2023 and is expected to expand at a compound annual growth rate (CAGR) of 7.0% from 2023 to 2028. Key drivers for this growth are increasing pharmaceutical and biotech R&D outsourcing, continued demand for small molecules, and growing demand for cost-effective drugs. The global small molecule CRDMO industry is expected to reach USD 159 billion by 2028F, comprising c.53% of the overall CRDMO industry globally.

2.7 Global CRDMO Industry by Geography





Source: Frost & Sullivan

CRDMO industry by geography refers to the revenues of CRDMOs located in these geographies. Today, North America is the dominant geography for CRDMOs. Being the largest pharmaceutical market by consumption as well as the global innovation hub, several of the largest global CROs and CDMOs have established bases in the region to cater to local needs. Due to the region's strong R&D infrastructure, thriving pharmaceutical sector, and welcoming regulatory climate, North America will continue to account for largest share of the global industry for CRDMOs. However, the highest contributor to overall growth in CRDMOs has been APAC. The region's CRDMO industry is expected to grow at a much faster rate of 11.2% during 2023-28 driven by of cost-effective manufacturing capabilities, availability of skilled manpower and regulatory compliance capabilities. Major regions for CRDMO services include China, India, South Korea, and Singapore, which provide a blend of technical know-how, trained labour, and affordable prices. Amongst, these regions India is expected to be highest contributor of growth for APAC region as it become an emerging hub for the pharma innovators and is gaining significant prominence driven by multiple growth tailwinds. India CRDMO industry will grow faster than the overall APAC CRDMO industry, growing at a CAGR of 14.0% over 2023-28.

2.8 Growing Prominence of India CRDMOs

India's CRDMO industry has undergone significant expansion in recent years. The India CRDMO industry was amongst the fastest growing industries in APAC over 2018-2023. This growth is expected to continue, with Indian industry projected to grow by 14.0% between 2023 and 2028, faster than the growth of APAC industry and the global CRDMO industry, reaching an estimated value of USD 14.1 Bn in 2028. Significantly higher growth rate for Indian CRDMO industry is expected to lead to increase in market share of Indian companies. Increase in scale and market share is expected to attract more companies to increase their outsourcing from Indian companies leading to a sustainably higher demand. Shift in geopolitical factors with pharma companies increasingly adopting China plus one policy is expected to increase demand for Indian CRDMOs. Beyond the China + 1 sentiment, new draft policies such as the Biosecure Act that aims to prevent Chinese manufacturers from accessing US federal funding will further divert business to Indian CRDMOs.

2.8.1 India CRDMO Industry by Value Chain Function

India CRDMO industry stood at USD 4.0 billion (INR 336 billion) in 2018 and reached USD 7.3 billion (INR 609 billion) in 2023, growing at a CAGR of 12.6% between 2018 and 2023. By 2028, the industry is anticipated to reach USD 14.1 billion (INR 1,173 billion) by growing at a CAGR of 14.0% over the period of 2023 to 2028. Indian CRDMO industry has observed a significant growth in the recent years on the back of increased collaborations, partnerships and collaborations in the industry. Amongst the value chain functions, pre-clinical development is expected to grow at a significantly faster pace at 15.7% during FY23-28F, driven by significant improvement in technical capabilities of Indian companies driving R&D outsourcing demand from global pharma innovator companies. Bolstering of integrated offerings by Indian companies with increase in Biology and DMPK capabilities is driving significant growth in discovery and pre-clinical segments.

Exhibit 2.5A: India CRDMO Industry by Functions, 2018 - 2028F

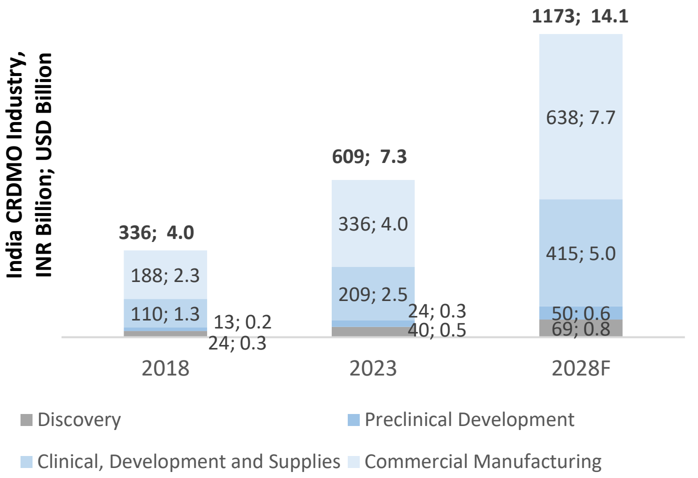
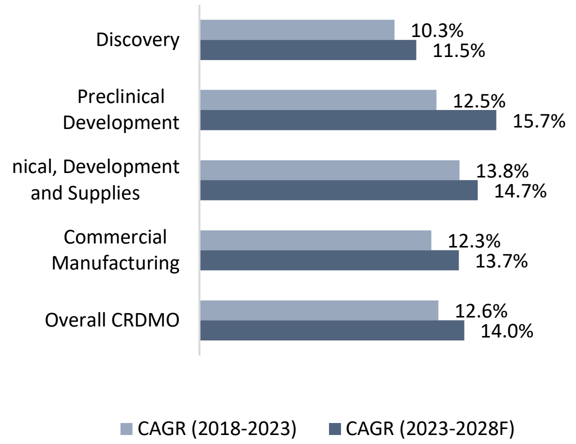


Exhibit 2.5B: Growth Rate of India CRDMO by Functions, 2023 - 2028F

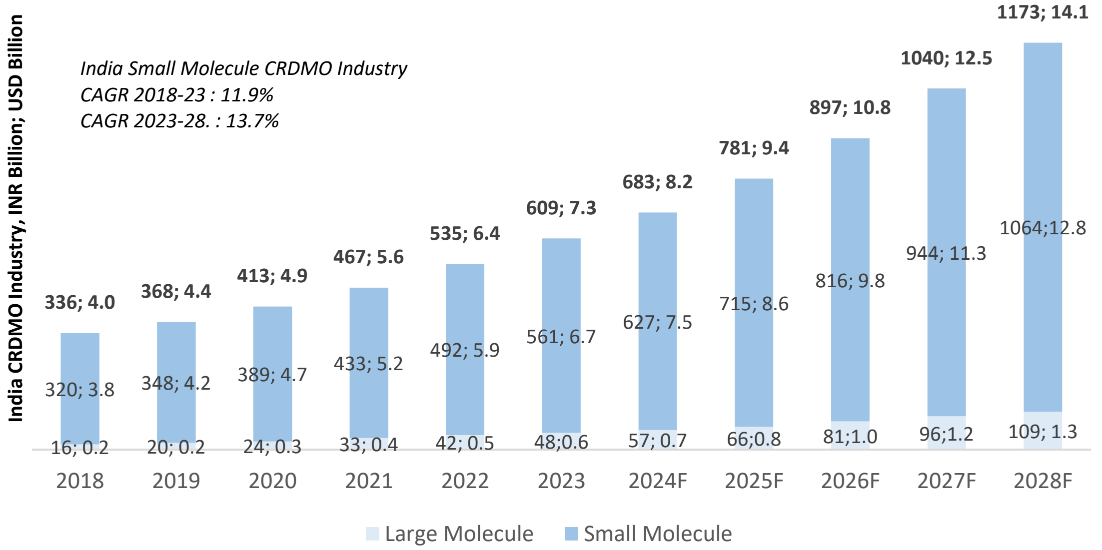


Source: Frost & Sullivan, Note: Conversion factor for USD to INR is 83.3739 as on March 28th, 2024 (RBI)

2.8.2 India CRDMO Industry by Modality

Indian CRDMO industry has largely been dominated by small molecules with their proportion constituting 90%+ of the total industry in 2023. With increasing prominence of Indian CRDMOs in the global markets and increased outsourcing of small molecules, the dominance of small molecules is expected to continue despite increasing demand of large molecules. The Indian small molecule CRDMO industry size is estimated to increase to USD 12.8 billion (INR 1,064 billion) by 2028 and with a compound annual growth rate (CAGR) of 13.7% from 2023 to 2028.

Exhibit 2.6: India CRDMO Industry by Large and Small Molecules, 2018-2028F

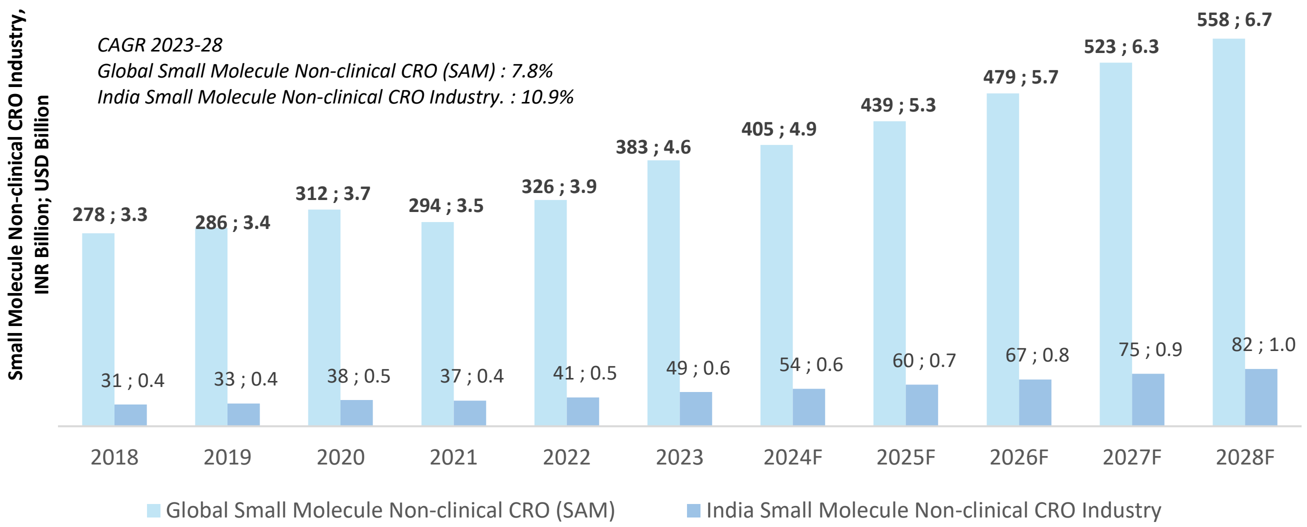


Source: Frost & Sullivan, Note: Conversion factor for USD to INR is 83.3739 as on March 28th, 2024 (RBI)

2.8.3 India Small Molecule Non-Clinical CRO Industry and Serviceable Addressable Market (SAM)

Non-Clinical CRO SAM refers to the global small molecule Non-Clinical CRO industry. Driven by shift in global dynamics due to China plus one, Biosecure act and other factors and increasing capabilities of Indian companies, India small molecule Non-Clinical CRO is expected to grow at a faster rate and become a USD 1.0 billion (INR 82 billion) industry by 2028.

Exhibit 2.7: Small Molecule Non-clinical CRO Industry, 2018-2028F

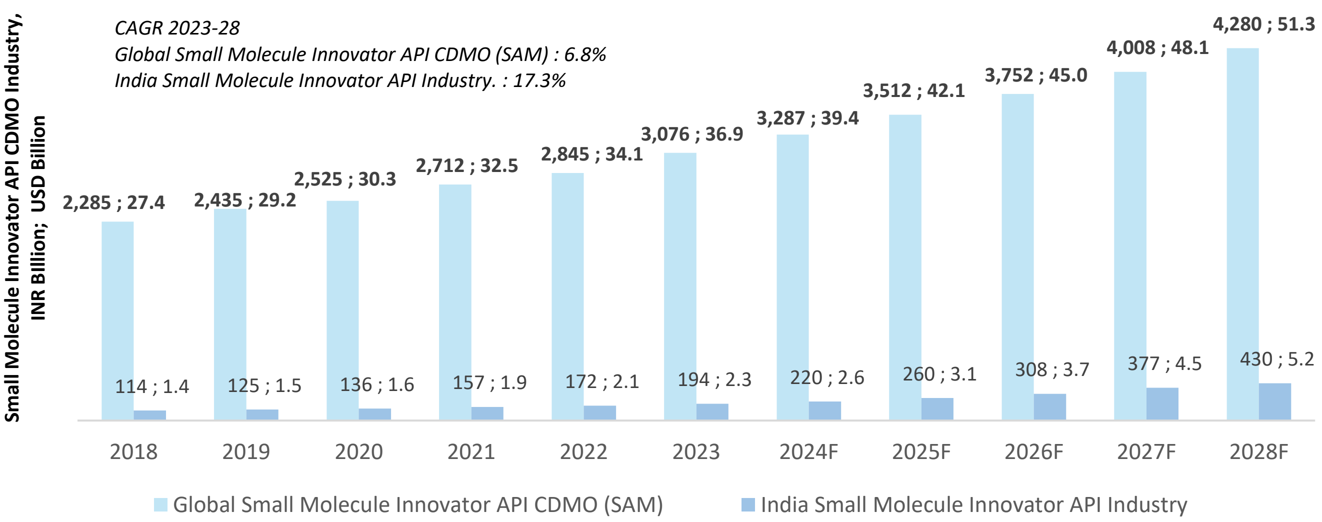


Source: Frost & Sullivan, Note: Conversion factor for USD to INR is 83.3739 as on March 28th, 2024 (RBI)

2.8.4 India Small Molecule Innovator API CDMO Industry and Serviceable Addressable Market (SAM)

Small Molecule Innovator API CDMO SAM refers to the global small molecule innovator API CDMO industry. With multiple growth tailwinds for the India CDMO industry, it is expected to gain market share and become a larger proportion of CDMO SAM, accounting for 10%+ share by 2028F.

Exhibit 2.8: Small Molecule Innovator API CDMO, 2018-2028F



Source: Frost & Sullivan, Note: Conversion factor for USD to INR is 83.3739 as on March 28th, 2024 (RBI)

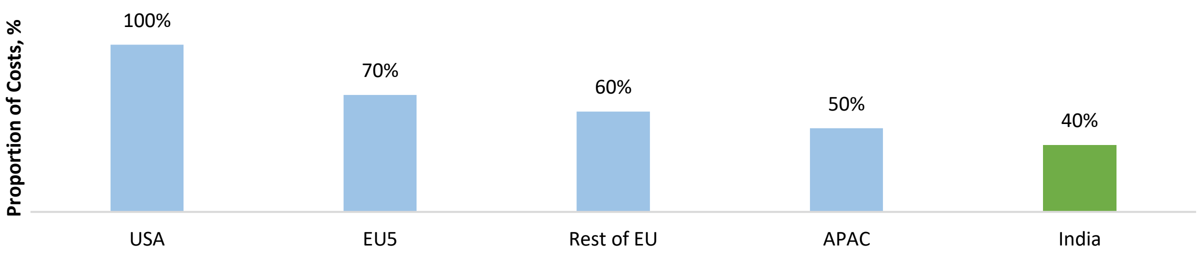
2.8.5 Key success factors for India CRDMOs

Indian CRDMOs have demonstrated enhanced capabilities including availability of skilled talent, economical cost base, quality infrastructure and systems adhering to GLP and cGMP standards, positioning them to benefit from increased R&D and manufacturing outsourcing by pharmaceutical innovators. Tightening of IP protection laws have further strengthened confidence in Indian CRDMO providers among global pharmaceutical companies. Geographically, Indian CRDMOs are strategically best positioned to be part of a de-risked supply chain sought by European and American companies.

Key factors that have contributed to the success of Indian CRDMOs include:

1. **Cost Advantage**: Amidst escalating global price pressures, the imperative for cost efficiency has intensified. Indian CRDMOs distinguish themselves as preferred partners owing to substantial cost advantages over their global counterparts. Notably, wage costs in the Indian pharmaceutical industry are substantially lower than in Europe and the

Exhibit 2.7: Cost Comparison with US manufacturing due to Outsourcing by Region, 2023



Source: Frost & Sullivan

2. **Strong Infrastructure and Availability of Skilled Manpower**: India has a legacy in pharma manufacturing for regulated markets with presence of over 3,000 drug companies and 10,500 manufacturing units. It contributes to 20% of the global pharma supply chain and meets almost 60% of the global vaccine demand. It also meets 40% of the generic demand in the US and provides 25% of all medicines in the UK. Indian companies have extensive experience working with regulatory agencies like the FDA and EMA, and India has the highest number of US-FDA-approved plants outside the US. This allows Indian firms to use transferrable knowledge of working at global standards with different regulatory bodies and offer superior services. India also has a strong base of STEM graduates, more than the US and UK, crucial for science-intensive drug discovery work. India creates an average of 24,000 PhDs annually, ranking among the top five nations.

3. **Shifting Geopolitical Dynamics**: India is increasingly becoming a favorable partner for global companies, in light of the shifting geopolitical dynamics. For instance, global pharmaceutical companies are embracing a diversified approach away from sole dependence on Chinese manufacturing (China + 1 policy). New draft policies such as the Biosecure Act will further divert business to Indian CRDMOs. Indian CRDMOs providing integrated services are expected to see a significantly increasing demand driven by shifting geopolitical factors, such as the "China plus one" strategy, effect of the Biosecure Act and Inflation Reduction Act, among others. India's strategic geographic positioning provides convenient access to key markets, minimizing logistical complexities and costs, thereby enhancing the appeal of Indian CRDMOs to international firms seeking operational efficiency without compromising quality. Lastly, as diplomatic and trade relations strengthen between India and developed economies, collaborative opportunities in contract services are poised to expand further.

4. **Improving ease of business and fiscal incentives**: According to the Economist Intelligence Unit (EIU) Business Environment Rankings (BER) for Ease of Doing Business, of the 17 economies in the Asian region, India is ranked 10th in the 2023- 27 forecast period, jumping by 4 places from previous period. Conducive government policies play a pivotal role in bolstering the India pharmaceutical sector, offering tax incentives, and expediting regulatory processes. Concurrently, initiatives like the Biotechnology Industry Research Assistance Council (BIRAC), Bio-NEST, and Biotech Science Clusters encourage pharmaceutical R&D and support biotech startups. India has grown to be a leading biotechnology destination with over 5000 biotech enterprises. Furthermore, governmental efforts extend to incentivizing pharmaceutical manufacturing. Schemes such as the Production Linked Incentive (PLI) scheme offer incentives ranging from INR 20 crore to INR 400 crore for bulk drug park development, aiming to spur local formulation and active pharmaceutical ingredient (API) manufacturing.

5. **Favorable IP protection laws**: With stronger IP protection legislation, India has become a more trusted partner for outsourcing research and development for the pharma companies. India's 1995 GATT accession and its 2005 compliance with TRIPS regulations—which changed the focus from process to product patents—are notable turning points. As a result, worries about patent infringement have subsided, increasing India's appeal for pharmaceutical R&D and manufacturing. India topped the list of major and middle-income nations with the most IP filings in 2022, according to the World Intellectual Property Organization.

3. CRO and CRDMO Industry

3.1 Global CRO Industry

The CRO industry includes outsourced R&D services provided to pharmaceutical and biotech companies for drug discovery and early development. CROs have been widely used by the life sciences industry since the 1970s. As the CRO industry gained significant momentum, services offered by CROs have evolved from basic supporting services to a wide range of lab and analytical services across the R&D value chain, enabling them to become preferred strategic partners to pharma innovators. Some of the CROs are also setting up dedicated R&D facilities for their customers. These dedicated facilities demonstrate ability to serve customer with comprehensive set of capabilities and long-term commitment by the customers.

CROs now provide integrated solutions for challenges across the entire R&D value chain

Drug discovery begins with disease target identification and validation. The next step is an iterative process of lead identification and optimization culminating in drug candidate nomination. This is followed by pre-clinical studies as an input to an IND Application. Different scientific skill sets are required at each of these stages of drug discovery. For example, sophisticated biology understanding is required during target identification and validation, while deep medicinal and synthetic chemistry capabilities combined with high throughput and high-quality biology studies are critical for lead generation and nomination. ADME and Toxicology studies become very important as lead candidates get narrowed down to select development candidates and pre-clinical data is generated to enable IND Applications. Integrated CROs are well equipped to handle all of these activities in a rapid and seamless manner by transferring samples, data, knowledge and technical feedback between scientists of various disciplines.

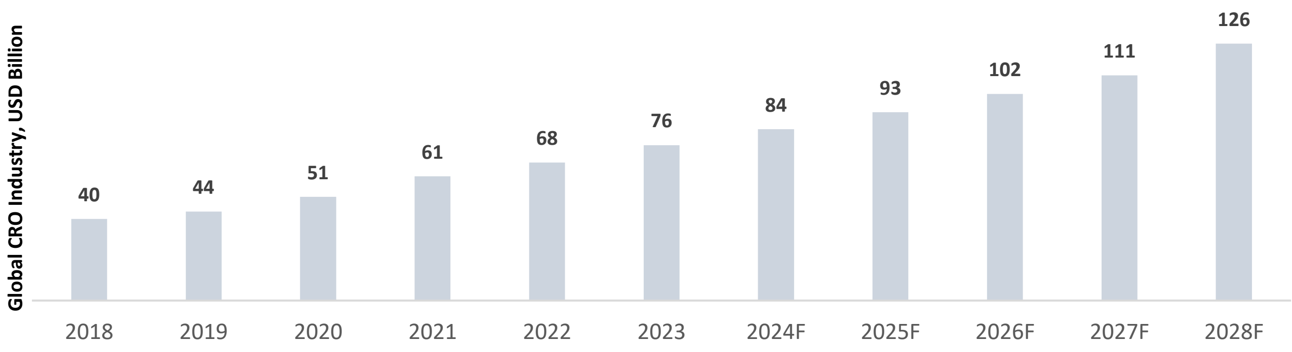
CROs can help significantly lower drug development costs, facilitate a more seamless and timely entry into new markets with varying regulatory requirements, avoid the expense and labor of managing capital-intensive infrastructure and allow pharmaceutical sponsors to concentrate on their core skills while proactively mitigating any development risks. CROs have elevated their role and often emerged as co-innovators led by the expansion of small and frequently virtual biotech companies with lean teams, that rely almost entirely on an outsourcing partner for their drug discovery and development needs. By utilizing their extensive range of services, CROs can help lower drug development costs by approximately 30% when compared to in-house research.

The global CRO industry size increased from $40.1 Bn in 2018 to $76.5 Bn in 2023, representing a CAGR of 13.7%, and is expected to reach $126.4 Bn in 2028, representing a CAGR of 10.6% primarily driven by increasing outsourcing, improving technological capabilities and global expertise.

Exhibit 3.1: Global CRO Industry, 2018-2028F

CAGR, 2018-23 - 13.7%

CAGR, 2023-28 - 10.6%



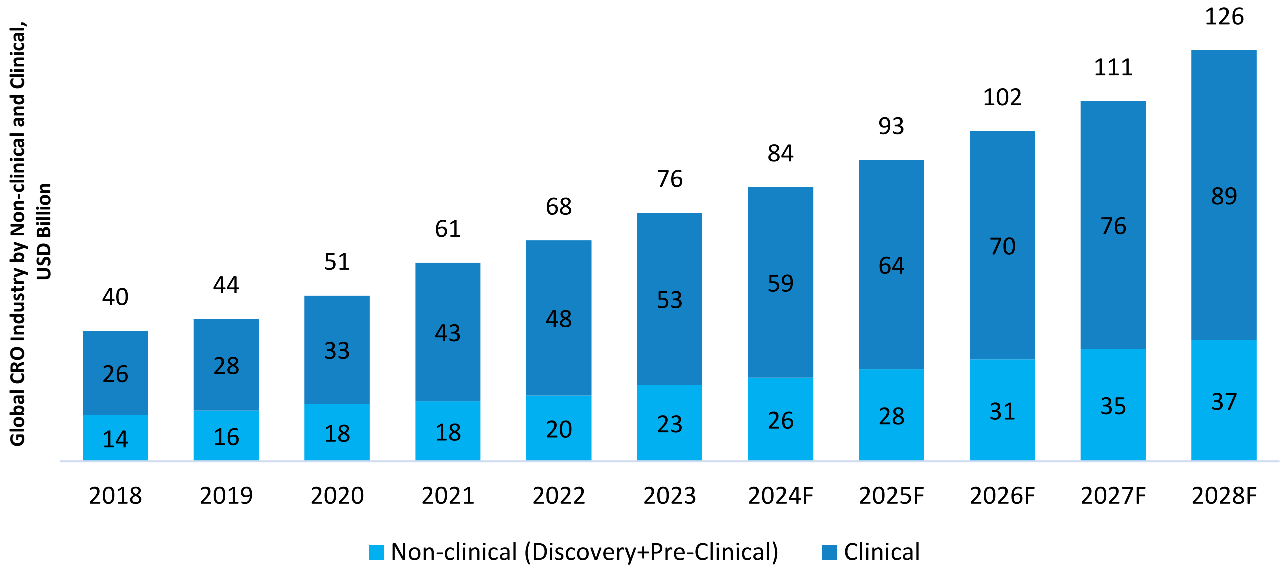
Source: Frost & Sullivan

3.1.1 Global CRO Industry by Value Chain Service Type

There are further 2 CRO player archetypes: Non-clinical CROs (comprising Discovery and Pre-clinical services) and Clinical CROs. In the early drug discovery stages of clinical research, non-clinical CROs are responsible for not only identifying potent drug candidates, but also for designing and conducting laboratory tests, analysing the resulting data, and confirming that the safety of the potential drug is suitable to proceed to the next stage of development. and human clinical trials. Clinical CROs, in contrast, are involved in the later stages of drug development, encompassing the stages of clinical research that involve testing a drug on human subjects from phase I to phase III or IV trials. The clinical phase of drug research tests the findings from preclinical studies in real-life conditions within the target disease population with human volunteers.

Pharmaceutical companies have historically outsourced clinical trials more than discovery and preclinical work. This is because the need for patent protection and maintaining control over the fundamental discovery process is higher during the early discovery and pre-clinical phases. With strengthening IP protection laws and increasing focus on R&D productivity, pharmaceutical companies have begun to increasingly rely on CROs for early discovery and preclinical studies. Also, in the last decade, there has been a noticeable increase in the outsourcing of nonclinical services due to the emergence of smaller pharmaceutical businesses and biotechs that rely more on CROs and enhanced intellectual property protection procedures at CROs. By 2028, the preclinical and discovery industries are projected to have grown to a combined value of USD 37.3 billion, growing at a CAGR of c.10% over 2023-28F.

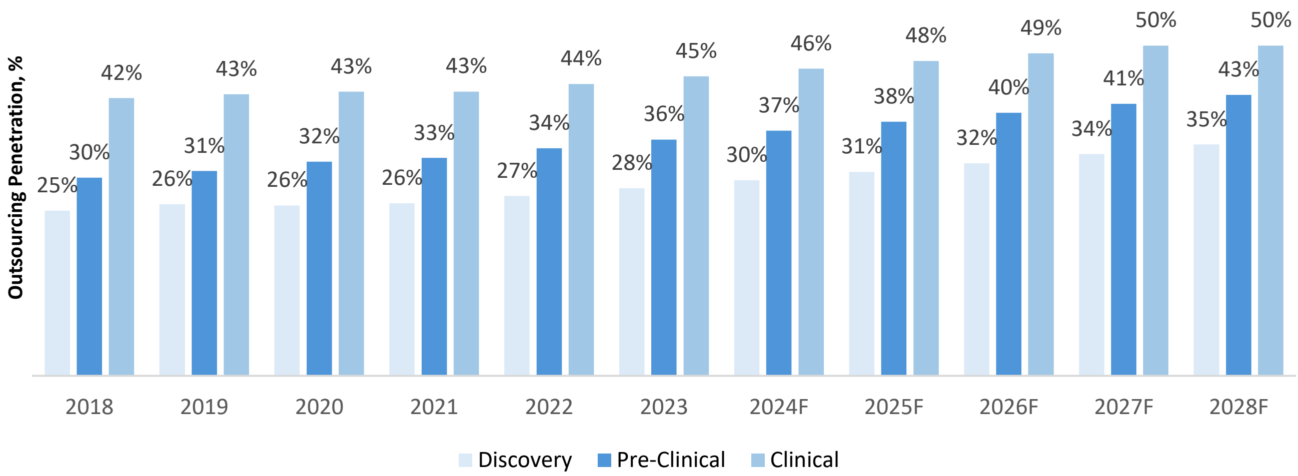
Exhibit 3.2: Global CRO Industry by Non-clinical and Clinical, 2018-2028F



Source: Frost & Sullivan

The discovery related outsourcing penetration was at 25% in 2018 and expected to reach 35% by 2028. Similarly pre-clinical activities are poised to see significant growth from 30% in 2018 to 42.5% in 2028.

Exhibit 3.3: Outsourcing Penetration to CROs in Discovery, Pre-Clinical and Clinical Phase, 2018-2028F

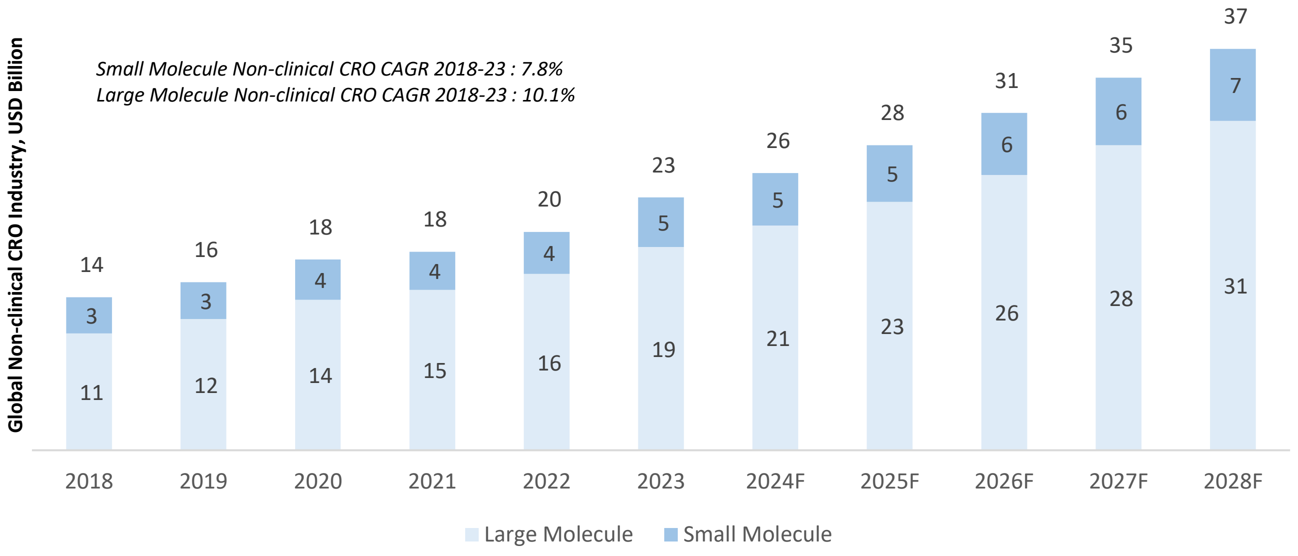


Source: Frost & Sullivan

3.1.2 Global Non-clinical (Discovery + Pre-clinical) CRO Industry by Modality

As we look at non-clinical CRO industry by modality, small molecule non-clinical CRO is expected to grow at CAGR of 7.8% during 2023-28F. Apart from increasing technical expertise of CROs to take more complex project, the intertwined nature of the small and large molecule sector such as the use of small molecules with increased complexity (new solubility profile, highly potent, target new disease pathways) in combination with large molecules, such as antibody-drug conjugates (ADC) is expected to drive further growth of small molecule CRO industry.

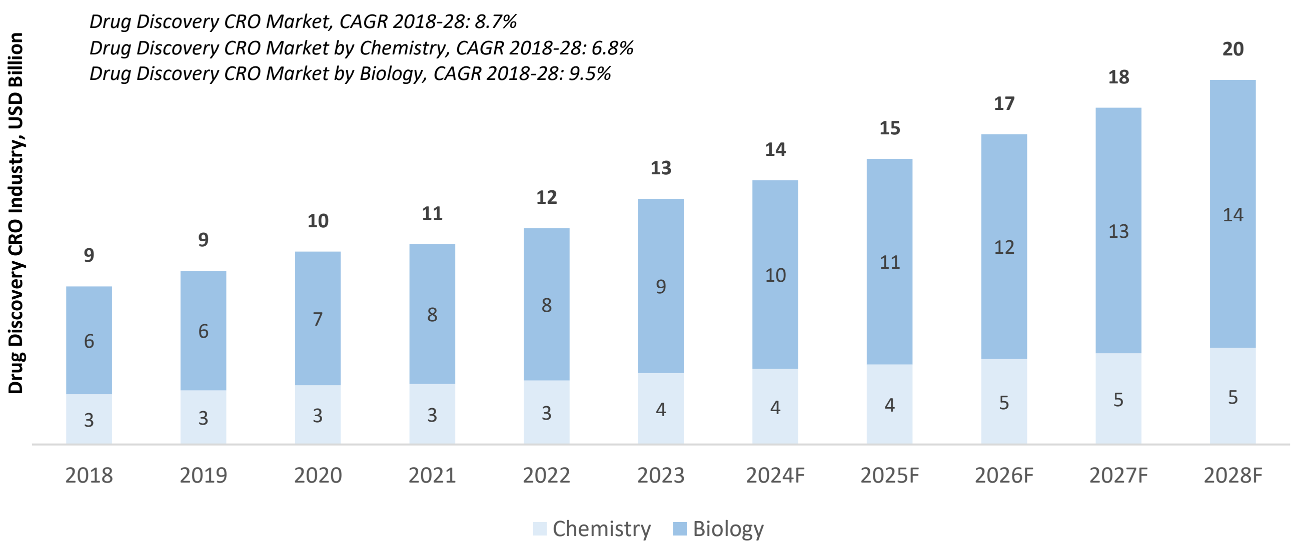
Exhibit 3.4: Global Non-clinical CRO Industry by Large and Small Molecules, 2018-2028F



Source: Frost & Sullivan

Within non-clinical services, drug discovery is a key component which demands CROs to have advanced biology and chemistry capabilities. The key steps in drug discovery which require biology expertise include target identification and validation (targets refer to DNA, enzymes, receptors, and ion channels for diseases by conducting laboratory experiments), assay development and assay testing (assays are laboratory testing methods). Similarly, chemistry capabilities are required for steps in the discovery process like analysing data and designing new molecules (medicinal chemistry) and synthesizing sample quantities of the compounds designed by medicinal chemists (synthetic chemistry).

Exhibit 3.5: Drug Discovery CRO Industry by Biology and Chemistry, 2018-2028F



Source: Frost & Sullivan

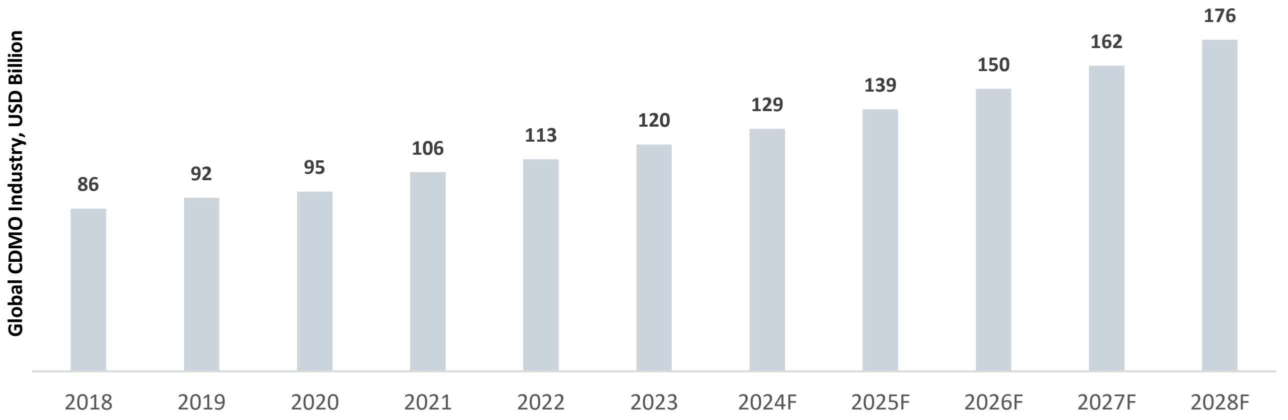
Similarly, DMPK (Drug Metabolism and Pharmacokinetics) and toxicology capabilities are key for a CRO, as these are key steps which help to identify drugs that are likely to be suitable for advancement through the drug development process. It considers how the drug is metabolized and processed by the body. In vitro toxicology and in vivo toxicology studies are conducted to enable making a go-no-go decision regarding if a drug should be selected as a drug candidate, and moved into late-stage preclinical and clinical programs.

3.2 Global CDMO Industry

The CDMO industry includes services provided for drug development and commercial manufacturing. Historically, pharma has often concentrated on selling high-volume products and used contracts with CDMOs to leverage increased manufacturing capacity. But as the mass-distribution blockbuster pharmaceuticals faded and precision medicine, specialty indications, and more R&D in complicated treatments took center stage, pharmaceutical sponsors are starting to view CDMOs as strategic partners rather than vendors. Pharma innovators increasingly leverage cost efficiencies, specialist knowledge, latest manufacturing technologies and other benefits from CDMOs. In addition, the growing pipeline of sophisticated pharmaceutical products and the increased focus on efficiency and innovation has further driven the global outsourcing of research and manufacturing tasks to CDMOs. The reliance on CDMOs will further grow going forward as they continue to offer innovator pharmaceutical companies commercially feasible solutions for a range of drug development and manufacturing services, such as pharmaceutical formulation, analytical development, process optimization, and scale-up manufacturing. Strong technical and R&D infrastructure capabilities, availability of skilled scientific talent and quality manufacturing with clean track record of regulatory compliance, are some of the key success factors for a CDMO. The global CDMO industry size increased from $86.4 Bn in 2018 to $120 billion in 2023, representing a CAGR of 6.9%, and is expected to reach USD 176 billion in 2028, representing a CAGR of 7.9%.

Exhibit 3.6: Global CDMO Industry, 2018-2028F

CAGR, 2018-23 - 6.9%
CAGR, 2023-28 - 7.9%

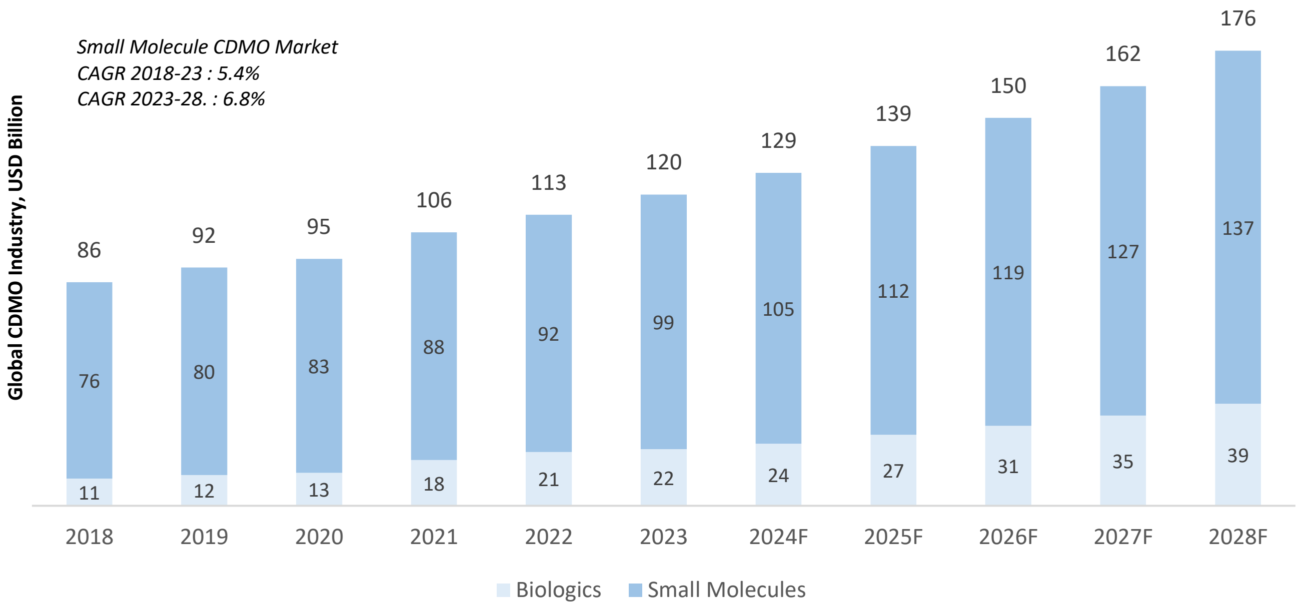


Source: Frost & Sullivan

3.2.1 Global CDMO Industry by Modality

In the CDMO industry, small molecules currently dominate the industry with 80%+ proportion, as they can target a wide range of diseases and disorders and remain a fundamental component of pharmaceutical markets. With increase in outsourcing and growing complexity and diversity of small molecules, Small molecule CDMO industry is expected to grow at a faster rate of 6.8% during 2023-28 to reach a $137 Bn by 2028, as compared the historical growth rate of 5.4% during 2018-23.

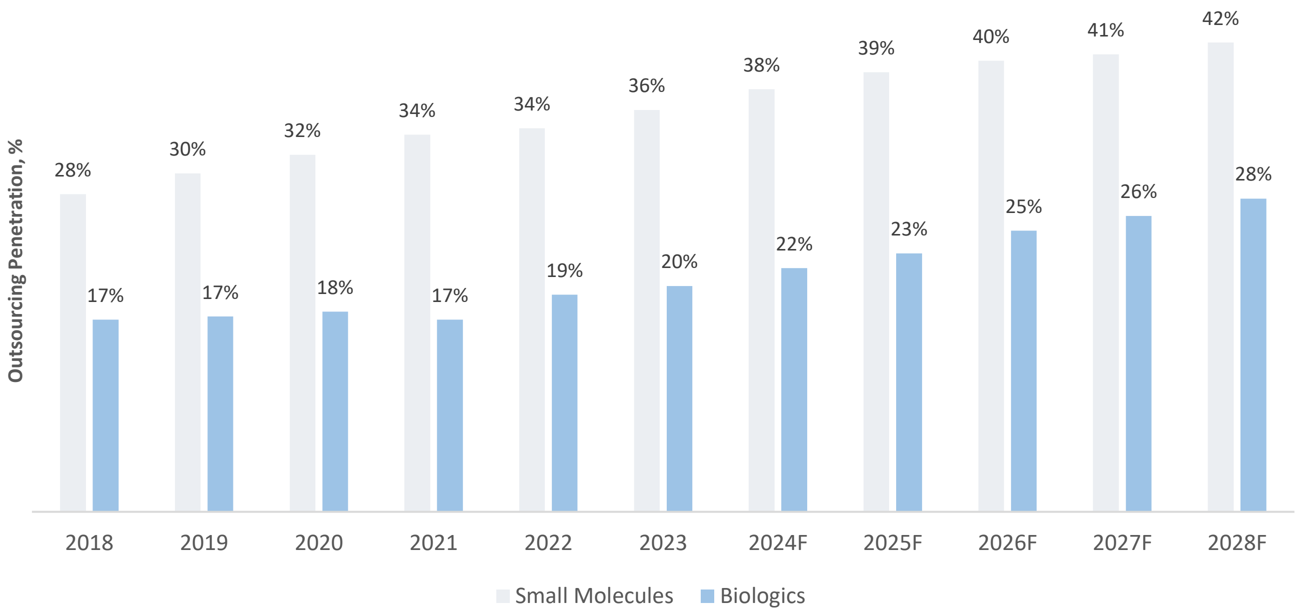
Exhibit 3.7: Global CDMO Industry by Small Molecule and Biologics, 2018-2028F



Source: Frost & Sullivan

Outsourcing of development and manufacturing of drugs has significantly increased in the historical period due to significant benefits the contract service providers offer. The penetration of outsourcing for small molecules historically has grown at a much faster pace from 28.5% in 2018 to 36.0% in 2023 than biologics, which grew from 17.2% in 2018 to 20.2% by 2023, due to the end products being relatively simpler and involvement of less complicated processes. Trend of increasing outsourcing penetration is expected to continue for both the drug types as pharma innovators increasingly realize benefits. However, as large molecule based modalities are still evolving, innovator companies tend to develop these technologies in-house. As a result, even on a higher base, the penetration for small molecules is expected to grow from 36.0% in 2023 to 42.0% by 2028.

Exhibit 3.8:CDMO Outsourcing Penetration by Small Molecules and Biologics, 2018-2028F

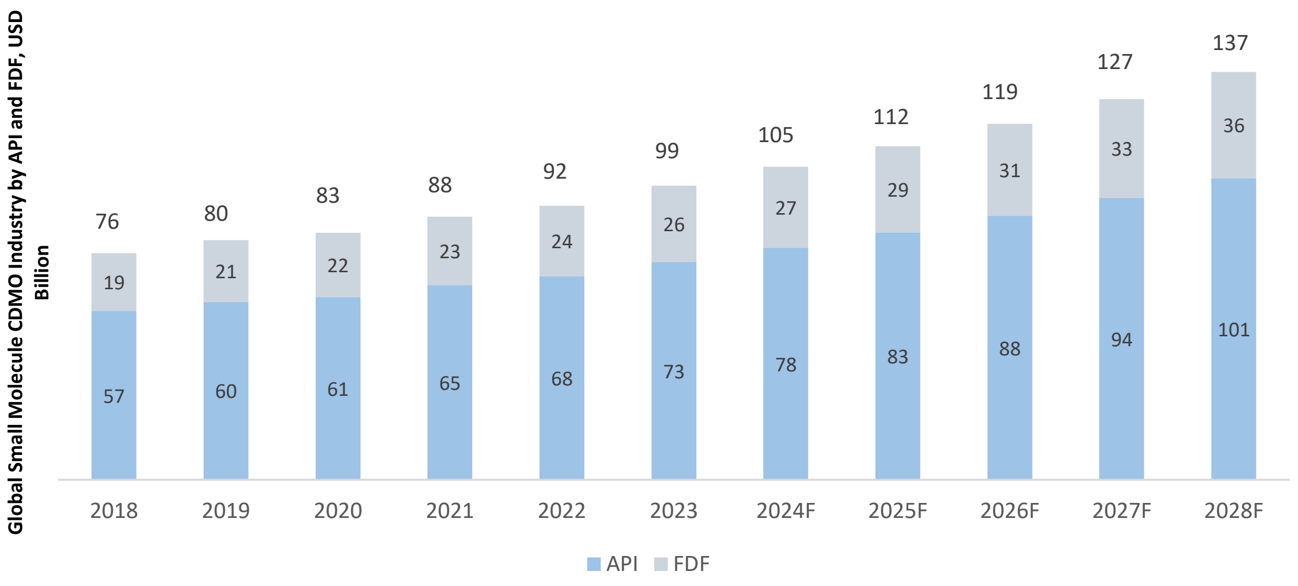


Source: Frost & Sullivan

3.2.2 Global Small Molecule CDMO Industry Split between API and FDFs

Small molecules or synthetic compounds account for around 70% of APIs on the market today. Due to the considerable economic benefits of outsourcing API manufacturing, there has always been a substantial reliance on CDMOs for APIs (many worldwide APIs are produced in China, India, and Italy). Outsourcing is anticipated to rise further in the next decades because to the increasing complexity of APIs, which are increasingly potent and need expert handling. API and intermediates are expected to continue to dominate the CDMO market in 2023-28 period. In the API category, the small molecule CDMO market revenue was USD 73 billion in 2023 and is expected to reach USD 101 billion by 2028, growing at a CAGR of 6.7% between 2023 and 2028.

Exhibit 3.9: Global Small Molecule CDMO Industry by API and FDF, 2018-2028F

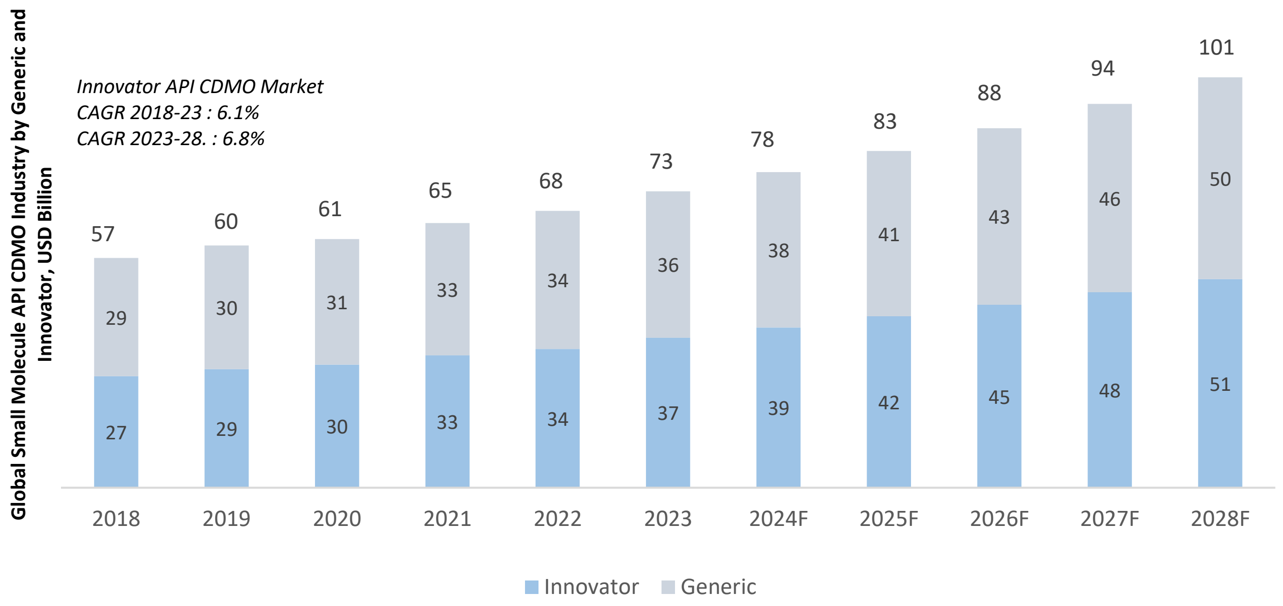


Source: Frost & Sullivan

3.2.3 Global Small Molecule API CDMO Industry Split by Drug Type

Generic manufacturing has historically comprised a large pie of CDMO outsourcing, as it is a relatively simpler duplication of current manufacturing processes once patents expire. In the recent years, there is a discernible trend toward outsourcing the production of innovative drugs as well. The increasing complexity of innovative drugs, the need to use cutting-edge machinery, technologies, and knowledge for innovative drug manufacturing, globalization concerns for easier and faster market access, and the importance of resource optimization for small and mid-sized businesses leading the way in innovation are all contributing factors to this. The innovator drug API CDMO industry grew by 6.1% between 2018 and 2023 and is anticipated to grow by 6.8% over 2023-28F, faster than the generics CDMO industry, comprising 52% of the API CDMO industry in 2028.

Exhibit 3.10: Global Small Molecule API CDMO Industry by Generic and Innovator, 2018-2028F



Source: Frost & Sullivan

4. Competitive Landscape of CRDMOs

The global CRDMO industry is marked by high fragmentation, with over 1000 global players competing for market share. This landscape encompasses a diverse range of players, including various CROs and CDMOs and limited number of pure-play full-service CRDMOs.

The Indian CRDMO industry constitutes a limited number of scaled up companies. With increase in demand of Indian CRDMOs significantly driven by shifting geopolitical factors such as China+1, Biosecure act amongst others, the scaled up CRDMO players in the industry are expected to gain disproportionally due to their preference by pharma companies as well as biotechs driving up their market share. Also, companies with large and marquee pharma innovators as clients have a strong competitive edge due to significant opportunities to cross-sell and have higher growth. The following is the list of Top 25 pharma companies globally by revenue.

Rank	Companies	2023 Overall Pharmaceutical Sales ($, Bn)
1	Johnson & Johnson	55.0
2	AbbVie	53.2
3	Novartis	52.5
4	Merck	50.8
5	Roche	49.1
6	Pfizer	48.2
7	Sanofi	46.4
8	Bristol-Myers Squibb	44.4
9	AstraZeneca	43.8
10	GlaxoSmithKline	36.8
11	Novo Nordisk	33.7
12	Eli Lilly	31.9
13	Takeda	22.7
14	Amgen	26.6
15	Gilead Sciences	26.5
16	Bayer	22.2
17	Boehringer Ingelheim	20.6
18	Viatris	15.4
19	CSL	14.3
20	Teva	12.5
21	Astellas Pharma	10.5
22	Daiichi SankyÅ	10.0
23	Vertex Pharmaceuticals	9.9
24	Sandoz	9.6
25	Merck KGaA	8.7

Source: Annual report, company filing, Frost & Sullivan

Some of the select global and Indian CRDMOs which operate in pharma value chain of discovery, development and commercial manufacturing of APIs and intermediates are discussed below.

Company	Service/Operational Overview
WuXi AppTec Co. Ltd. (Wuxi AppTec) **Founded:** 2000 **HQ:** China	WuXi AppTec a global outsourcing services provider operating through 5 different business segments, WuXi Chemistry, WuXi Testing, WuXi Biology, WuXi ATU and WuXi DDSU. The company has robust clientele (including pharma/ biopharma and medical devices companies), of over 6000 customers spread across 30+ countries. It stands out especially with its technology readiness in terms of the proprietary CDMS, CTMS and AI coding system. Whilst being the leader in drug discovery and pre-clinical CRO services, WuXi has gone above and beyond in further catering to clinical development phases, including the uptake of eClinical modalities for DCT based trials, further aligning itself with the ongoing industry trends.
Pharmaron Beijing Co Ltd (Pharmaron)	Pharmaron is a China-based, fully integrated CRDMO not only showcases sound clinical development capabilities, but also stands out in understanding of the drug discovery chemistry

Founded: 2004 **HQ:** China	(medicinal, synthetic), and has built a state-of-the-art DNA encoded Libraries Technology (DELT) platform enabling custom drug discovery solution such as synthesis and screening of billions of compounds against potential biological targets. Operating into four major business segments - Laboratory services, CMC (small molecule CDMO) services, Clinical development services, and biologics and CGT services. Most of its revenue comes from the Laboratory services segment.
Charles River Laboratories International, Inc. (CRL) **Founded:** 1947 **HQ:** US	Charles River Laboratories (CRL), is one of the leading global CRDMOs supporting essential drug research and non-clinical drug development activities, operating in over 21 countries with 150+ facilities across the globe. The company is supported by 3 key business segments – Discovery and Safety Assessment (DSA), Research Models and Services (RMS) and Manufacturing Solutions (Microbial Solutions and Biologics Solutions). Over the past five years, the company has seamlessly supported research on 80% of USFDA approved drugs further indicating its specific expertise in drug development services. DSA segment is the primary contributor to the revenue growth by means of non-clinical development and regulatory-required safety testing services, whilst the RMS segment caters to research models services such as CRADL™ (flexible turnkey vivarium services).
Divis Laboratories Limited (Divis) **Founded: 1990** **HQ: India**	Incorporated in October 1990, Divi's Laboratories is pharmaceutical and Biotechnology company engaged in manufacturing of Generic API, Custom Synthesis of APIs and Nutraceuticals for Big Pharma companies. It is promoted by Dr Murli K. Divi. Divi's has is one of the leading companies in CRAMS and Generic APIs. It is catering to therapeutic segments like Cardiovascular, Anti-Inflammatory, anti-cancer and Central nervous system drugs. It operates 3 manufacturing facilities and 3 R&D facilities and employs c.17,000 employees.
Syngene International Ltd. (Syngene) (a subsidiary of Biocon Ltd.) **Founded:** 1993 **HQ:** India	Syngene International is one of the leading contract services players in India, especially in terms of drug discovery and preclinical CRO services. Its SynVent Integrated Drug discovery platform spans both small and large molecules conducting critical drug discovery activities including target validation, translational interrogation, therapeutic discovery, and preclinical development and many more, through easy to engage Full-Time Equivalent (FTE), Fee-for-Service (FFS), and outcome or milestone-based arrangements. The company enjoys a global clientele, with US based clients accounting to over 70%.
Aragen Life Science Ltd. (Aragen) **Founded:** 2001 **HQ:** India	Aragen, a vertically integrated CRO provides research, development and manufacturing services to a wide range of global pharmaceutical and biotechnology companies (almost 400 clients), and presence primarily in Asia pacific including Japan, South Korea, and India. The company holds a strong portfolio of early-stage discovery and development of new molecular entities (NMEs) as well as manufacturing services. The company operates three other subsidiaries Aragen Bioscience Inc. (biologics R&D services – protein analytics, antibody research etc.), Intox Pvt. Ltd. (provides safety assessment studies), Aragen Life Sciences B.V. (provides marketing services)
Anthem Biosciences (Anthem) **Founded: 2006** **HQ: India**	Anthem Biosciences, a Bangalore-India based Contract Research Development Organization (CDMO). It offers a whole gamut of services dedicated to enabling and sustaining global research efforts in the discovery of new compounds by pharmaceutical, biotechnology, specialty chemicals, agriculture chemicals and material science companies. Anthem's core competencies are organic synthesis, process development, analytical chemistry, discovery biology and regulatory compliance. It works extensively with pharma leaders, mid-size to virtual companies across the globe. It commenced operations in 2007 and has 2 manufacturing facilities in Bengaluru. It employs c.2,000 people in its organization.
Sai Life Sciences Ltd. **Founded:** 1999 **HQ:** India	Sai Life Sciences a pureplay fully-integrated, innovator focused, Contract Research and Development Organization (CRDMO). It served a diverse customer base of 280+ innovator pharmaceutical companies that includes global pharmaceutical companies and biotechnology firms in FY24. Its clientele includes 18 out of Top 25 pharmaceutical companies, in terms of revenue for the calendar year 2023, across regulated markets, including the US, the UK, Europe and Japan. They provide end-to-end services across the drug discovery, development, and manufacturing value chain, for small molecule new chemical entities. The company has a strong portfolio of drug discovery and development and commercialization services supported by over 2,800 employees across India, US, UK, and Japan. As of March 31, 2024, Sai's development and manufacturing portfolio constituted 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023 and 11 products for ten APIs that were either undergoing or had completed Phase III clinical trials. Sai is one of the few CRDMOs to have unique delivery model of having research labs for discovery and development located near overseas major overseas innovation hubs at Watertown (Greater Boston, MA), United States ("US") and Manchester, United Kingdom ("UK"), complemented by large-scale research laboratories and manufacturing facilities in cost competitive locations in India.

Source: Company sources; Frost & Sullivan

Exhibit 1.2: Competitive Landscape: Capabilities Map of Peers, Global and India

Sai is the only entity of scale in India to possess both contract research ("CRO") and contract development and manufacturing organization ("CDMO") capabilities. It is one of the largest integrated CRDMOs among listed Indian peers in terms of revenue from operations for FY24, serving as a one-stop platform for discovery, development, and manufacturing. They are also one of the few CROs to have a dedicated R&D facility for one of their customers.

	Company	Drug Discovery	Drug Development	Commercial Manufacturing
Global CDRMOs	WuXi AppTec			
	Pharmaron			
	CRL			
Indian CRDMOs, CROs and CDMOs	Divis			
	Syngene			
	Aragen			
	Anthem			
	Suven			
	Sai Life Sciences			

Legend: Dark Green – Strong Presence; Light Green – Limited Presence; Orange – Negligible Presence

Source: Company websites, Frost & Sullivan

	Global CDRMOs			Indian Contract Service Organizations					
Company	**WuXi AppTec**	**Pharmaron**	**Charles River Lab**	**Divis**	**Syngene**	**Aragen**	**Anthem**	**Suven**	**Sai Life Sciences**
Purely Innovator focused	✓	✓	✓	×	✓	✓	✓	✓	✓
R&D Presence in innovation hubs[(1)]	✓	✓	✓	×	×	✓	×	×	✓
# of Discovery Programs[(2)]	600+	750+	400+	Not Applicable	Undisclosed	Undisclosed	Not Applicable	Undisclosed	200+
# of customers in Top Pharma companies by Revenue	20+/ Top 25	20+/ Top 25	16+/ Top 25	12+/ Top 25	15+/ Top 25	7/ Top 10	Undisclosed	Undisclosed	18 / Top 25
Dedicated R&D centers with customer	×	×	×	×	✓	×	×	×	✓

1. Refer to Section 2.4 for details on Innovation hubs
2. Refers to any CRO related services availed by the customers

Sai is the fastest-growing Indian CRDMO among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR over FY22-24.

Exhibit 3.26: Financial Analysis of Select CRDMOs, 2023/ FY2024									
Parameter/ Company	**Wuxi Apptec**	**Pharmaron**	**Charles River Lab**	**Divi's Lab**	**Syngene**	**Aragen***	**Anthem***	**Suven Pharma**	**Sai Life Sciences**
Total Revenue from Operations, USD million (INR million)	5,632 (469,527)	1,611 (134,291)	4,129 (344,285)	941 (78,450)	419 (34,886)	208 (17,374)	127 (10,574)	126 (10,514)	176 (14,652)
Total Revenue CAGR (FY22 – FY24)	32.7%	24.5%	8.0%	-6.4%	15.7%	25.2%	-14.2%	-10.8%	29.8%
EBITDA, USD million (INR million)	1,875 (156,320)	396 (33,050)	931 (77,653)	268 (22,350)	120 (10,033)	60 (4,991)	60 (5,037)	50 (4,139)	36 (3,001)
EBITDA Margin (%)	33.3%	24.6%	22.6%	28.5%	28.8%	28.7%	47.6%	39.4%	20.5%
EBITDA CAGR(FY22-FY24)	55.4%	16.5%	4.3%	-24.5%	14.5%	22.1%	-13.0%	-19.4%	51.3%
PAT, USD million (INR million)	1,507 (125,676)	221 (18,410)	480 (40,050)	192 (16,000)	61 (5,100)	26 (2,200)	46 (3,854)	36 (3,003)	10 (828)
PAT Margin	26.8%	13.7%	11.6%	20.4%	14.6%	12.7%	36.4%	28.6%	5.7%
PAT CAGR (FY22 – FY24)	45.0%	-1.2%	9.7%	-26.5%	13.5%	11.3%	-5.0%	-18.7%	264.7%
ROCE	21.4%	10.6%	10.8%	16.0%	13.9%	19.4%	27.0%	19.5%	10.3%
Return on Equity	19.4%	11.9%	13.3%	11.8%	12.0%	17.9%	22.1%	14.6%	8.5%

Source: Annual Reports, Frost & Sullivan

Note: **Data available for FY22-FY23 only; For Global companies, data is for CY2021-2023; USD to INR conversion taken is 83.3739 (RBI rate on March 28, 2024 for Wuxi Apptec, Pharmaron, Charles River Lab, Aragen and Anthem)*

EBITDA= Aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.

EBITDA Margin = Calculated as EBITDA divided by revenue from operations

EBIT= Calculated as aggregate of restated profit before tax, finance costs

PAT margin= Restated profit after tax divided by revenue from operations

Return on Equity= Profit for the year divided by total equity for the relevant year

Return on Capital employed= Calculated as EBIT divided by capital employed. Capital Employed is calculated as aggregate of total equity, total borrowings including lease liabilities

**For Aragen and Anthem, lease liabilities and forex gain used in above formulas are basis standalone numbers*

Currency Conversion rates:

Year	*USD to INR*	*USD to RMB*
2019	*69.4*	*7.0*
2020	*75.2*	*6.5*

Year	USD to INR	USD to RMB
2021	73.0	6.4
2022	75.8	6.9
2023	82.0	7.1
2024	83.3	7.2

OUR BUSINESS

Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 24 and 276, 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.

Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "Restated Consolidated Financial Information" on page 215. Our financial year ends on March 31 of each year, so all references to a particular Financial Year/ Fiscal are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, in this section, references to "we", "us" and "our" are to Sai Life Sciences Limited on a consolidated basis while references to "our Company" or "the Company", are to Sai Life Sciences Limited on a standalone basis.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Independent Market Assessment of the Global and Indian CRDMO Market" dated July 8, 2024 (the "**F&S Report**") prepared and issued by Frost & Sullivan (India) Private Limited ("**F&S**"), appointed by us on April 15, 2024 and exclusively commissioned and paid for by us in connection with the Offer. A copy of the F&S Report is available on the website of our Company at https://www.sailife.com/investors/.*

Overview

We are an innovator-focused, contract research, development, and manufacturing organization ("**CRDMO**"). We provide end-to-end services across the drug discovery, development, and manufacturing value chain, for small molecule new chemical entities ("**NCE**"), to global pharmaceutical innovator companies and biotechnology firms. We possess both (a) discovery / contract research ("**CRO**") and (b) chemistry, manufacturing, and control ("**CMC**") / contract development and manufacturing organization ("**CDMO**") capabilities. We are the fastest-growing Indian CRDMOs among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (*Source: F&S Report)* Our CRDMO platform provides multiple entry points for us to acquire customers in the intermediate stages of their new drug discovery to commercialization journey. We are also one of the few CRDMOs to have a unique delivery model of having research laboratories for discovery and development located near overseas innovation hubs at Watertown (Greater Boston, MA), United States ("**US**") and Manchester, United Kingdom ("**UK**"), complemented by large-scale research laboratories and manufacturing facilities in cost competitive locations in India. (*Source: F&S Report*) During the Financial Year 2024, we served more than 280 innovator pharmaceutical companies, including 18 of the top 25 pharmaceutical companies (in terms of revenue for the calendar year 2023), across regulated markets, including the US, the UK, Europe and Japan. (*Source: F&S Report*) During the Financial Year 2024, we also provided CRO services to more than 60 customers on an ongoing basis, for their integrated drug discovery programs. As of March 31, 2024, our CDMO product portfolio included more than 150 innovator pharmaceutical products, including 38 products that were supplied for manufacturing of 28 commercial drugs. A brief summary of our CRO and CDMO services is set out below:

- Our CRO services include integrated discovery ("**Discovery**") capabilities across biology, chemistry, and drug metabolism and pharmacokinetics ("**DMPK**"). We have provided services for more than 140 small molecule discovery programs in the past five years and to more than 100 customers in the past three years. At least five of the discovery programs that we have provided services for have culminated in the approval of drugs that are now commercially available in the market and at least 40 programs having resulted in Investigational New Drug ("**IND**") filings. During the Financial Year 2024, we served more than 60 customers, for their integrated drug discovery programs, an increase from 29 customers in the Financial Year 2019. We provide Discovery services through our Unit II Hyderabad Facility (as defined below) and Greater Boston Facility (as defined below).
- Our CDMO services include comprehensive capabilities that support our customers in the development and scaling up production of active pharmaceutical ingredients ("**APIs**") (i.e., the active ingredients used in medications) and intermediates (i.e., chemical compounds used for the manufacture of APIs) for clinical phase and commercial phase supplies. As of March 31, 2024, our development and manufacturing portfolio consisted of 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products for ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*). This portfolio of 49 commercial and late phase products as of March 31, 2024, increased from 23 products, as of March 31, 2019, representing a 113% growth in our portfolio over the five-year period. The commercial and late phase products typically offer higher potential for return and a stable source of revenue given that they are commercialized or close to commercialization. In addition, our portfolio consists of more than 100 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages. We provide these CMC services through our Unit IV Bidar Facility (as defined below), Unit II Hyderabad

Facility (as defined below) and Manchester Facility (as defined below). Our CMC services are broadly classified as early-phase (pre-clinical to Phase II) and late phase (commercial, Phase III and post-Phase-III products).

Our product portfolio and customer base are diversified, encompassing commercial, late-stage and early-stage CMC molecules and discovery programs. As of March 31, 2024, no single customer accounted for more than 9.55% of our revenue from operations. Additionally, we are also one of the few Indian CRDMOs to combine discovery and development operations in the US, the UK and India, with manufacturing capabilities in India. (*Source: F&S Report*) We have strategic presence, located in close proximity to innovation clusters in Boston, US and Manchester, UK. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while our facilities in India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products (*Source: F&S Report*). Our continuing and expanding customer relationships are developed by our 16-member business development team, distributed across US, UK, Europe, and Japan.

We provide our services through our globally accredited manufacturing and R&D facilities with quality systems that are supported by a qualified pool of scientists, engineers, and other scientific staff. As of March 31, 2024, we had 2,125 scientific staff, with majority of our scientific team holding advanced degrees, including 276 PhDs and 1,343 master's degrees. Our manufacturing facilities have received several regulatory approvals from the United States Food and Drug Administration ("**USFDA**"), the Pharmaceuticals and Medical Devices Agency, Japan ("**PMDA**") and the state level drug control departments which are arms of the Central Drug Standards Control Organization, India ("**CDSCO**"). During the past three Financial Years, our manufacturing units were subject to more than 75 audits by our customers. These facilities feature flexible manufacturing setups, including large scale reactors for high-volume products and some production areas specifically designed to accommodate modern drug development pipelines that produce relatively smaller quantities but involve more intricate chemical processes.

Furthermore, we are led by an experienced management team, with our senior management having an average of more than 25 years' experience in the global CRDMO industry. Our management team is guided by our Chairman and Whole time Director, Kanumuri Ranga Raju and Managing Director and Chief Executive Officer, Krishnam Raju Kanumuri. As of March 31, 2024, we had 2,845 employees, with capabilities across the CRDMO value chain. We are supported by an experienced Board and financial investors, including TPG Asia VII SF Pte Ltd and HBM Private Equity India, who have partnered with us since 2018 and 2016, respectively. Our Board is committed to corporate governance principles that ensure accountability, fairness, and transparency in our business practices.

We seek to maintain high standards of health, safety, and environment ("**HSE**") across all our facilities, including fire protection systems, effective effluent and waste management practices and containment systems that enables efficient handling of chemicals within a closed ecosystem, minimizing exposure to both employees and the environment while also ensuring plant safety. We are committed to sustainability and have adopted several environment, social and governance ("**ESG**") strategies and initiatives to mitigate the environmental impact of our operations. For example, as part of an energy conservation plan, we have identified and executed various initiatives of energy savings in production, utilities and effluent treatment in Financial Year 2024, including the centralization of air compression and installation of energy efficient pumps. We also increased the use of renewable energy at our Unit IV Bidar Facility, to 89% in Financial Year 2024 from 67% in the Financial Year 2022, resulting in reduction of carbon di-oxide emissions. Furthermore, we are the first India-headquartered Company to become a member of the Pharmaceutical Supply Chain Initiative's ("**PSCI**") and have also received silver rating sustainability by EcoVadis, a global provider of business sustainability ratings.

For Financial Years 2024, 2023 and 2022, our total revenue from operations grew at a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our EBITDA grew at a CAGR ("**EBITDA CAGR**") of 51.32% from Financial Year 2022 to Financial Year 2024.

The following table sets forth certain financial and operational information, as of and for the periods indicated:

S.No.	Metrics	Units	Financial Year 2024	Financial Year 2023	Financial Year 2022
1.	Total revenue from operations	(in ₹ million)	14,651.78	12,171.39	8,695.93
2.	Revenue from contract research	(in ₹ million)	4,971.70	4,671.19	2,737.28
3.	Revenue contribution from contract research(1)	(%)	33.85	39.03	31.49
4.	Revenue from contract development and manufacturing	(in ₹ million)	9,715.53	7,298.30	5,953.96
5.	Revenue contribution from contract development and manufacturing(2)	(%)	66.15	60.97	68.51
6.	Year on year revenue growth(3)	(%)	20.38	39.97	-
7.	EBITDA(4)	-	3,001.15	1,822.33	1,310.63
8.	Year on year EBITDA growth(5)	(%)	64.69	39.04	-
9.	EBITDA margin(6)	(%)	20.48	14.97	15.07
10.	Capital expenditure(7)	(in ₹ million)	1,892.15	951.95	1,935.24
11.	Profit before tax	(in ₹ million)	1,092.34	164.08	96.95
12.	Profit after tax	(in ₹ million)	828.09	99.89	62.26
13.	Profit after tax margin(8)	(%)	5.65	0.82	0.72

S.No.	Metrics	Units	Financial Year 2024	Financial Year 2023	Financial Year 2022
14.	Return on capital employed (ROCE)[9]	(%)	10.26	5.13	3.21
15.	Return on equity (ROE)[10]	(%)	8.49	1.12	0.71
16.	Net debt / equity[11]	-	0.75	0.80	0.84
17.	Net debt/ EBITDA[12]	-	2.43	3.90	5.61
18.	Gross fixed asset turnover [13]	(%)	87.25	85.81	69.02
19.	Net working capital days[14]	-	122	140	204
20.	Total borrowings[15]	(in ₹ million)	7,101.63	6,992.29	7,513.18
21.	Total number of scientific staff	-	2,125	2,012	1,779
22.	Number of commercial molecules in the CMC portfolio	-	28	22	22
23.	Number of Phase III (in progress or completed) molecules in the CMC portfolio	-	10	6	4
24.	Total number of employees	-	2,845	2,677	2,400

Notes:

(1) Revenue contribution from contract research is calculated as revenue from contract research divided by revenue from contract research, development and manufacturing activities.

(2) Revenue contribution from contract development and manufacturing is calculated as revenue from contract development and manufacturing divided by revenue from contract research, development and manufacturing activities.

(3) Year on year revenue growth is calculated as the current period revenue minus prior period revenue divided by prior period revenue.

(4) EBITDA is calculated as the aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.

(5) Year on year EBITDA growth is calculated as the current period EBITDA minus prior period EBITDA divided by prior period EBITDA.

(6) EBITDA margin is calculated as EBITDA divided by revenue from operations.

(7) Capital Expenditure is calculated as the addition of property, plant and equipment during the year plus other intangible assets during the year less the balance of capital work in progress at beginning of the year plus balance of capital work in progress at end of the year.

(8) Profit after tax margin is calculated as the restated profit after tax divided by revenue from operations.

(9) ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital employed is calculated as aggregate of total equity, total borrowings including lease liabilities.

(10) ROE is calculated as profit for the year divided by total equity for the relevant year.

(11) Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.

(12) Net Debt divided by EBITDA. Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.

(13) Gross fixed asset turnover is calculated as revenue from operations divided by gross fixed assets.

(14) Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).

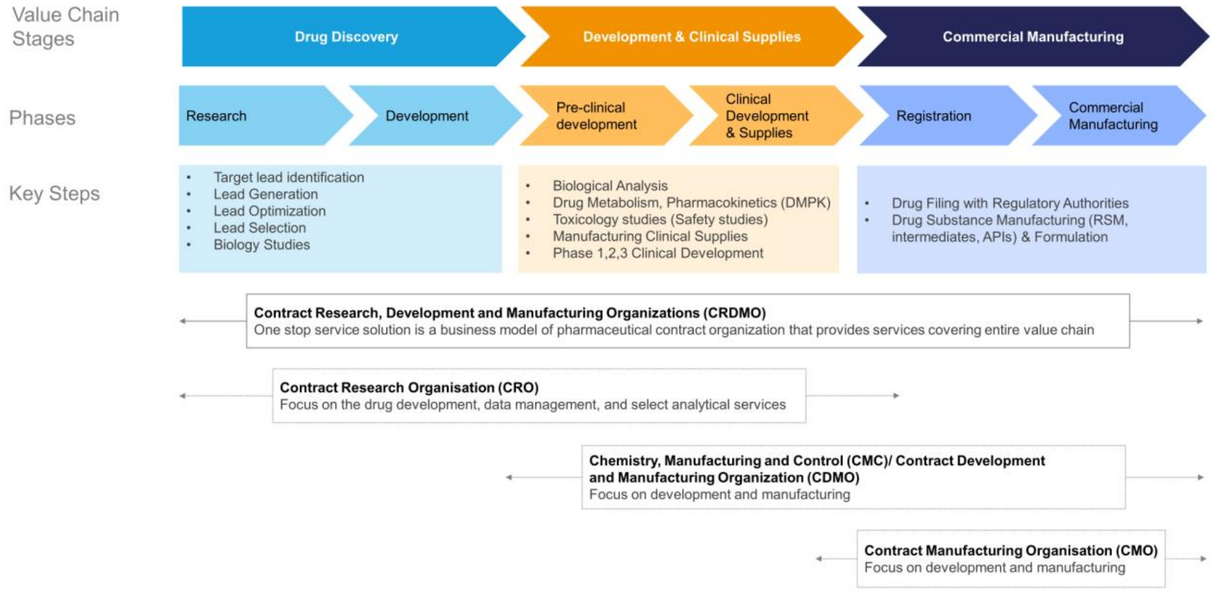
(15) Total borrowings is calculated as aggregate of current borrowings and non-current borrowings.

Strengths

1. One of the largest integrated Indian CRDMOs in terms of revenue from operations for the Financial Year 2024, acting as a one-stop platform for discovery, development and manufacturing

We are one of the largest integrated CRDMOs among listed Indian peers in terms of revenue from operations for the Financial Year 2024, serving as a one-stop platform for discovery, development and manufacturing. *(Source: F&S Report)*

The table below represents the value chain stages, phases and key steps provided by our Company which allow us to provide end-to-end support from discovery to commercialization ("*follow the molecule*").



As illustrated in the image above, we have established capabilities across drug discovery, development and manufacturing value chain. This provides several advantages, which include the ability for us to provide end-to-end support from discovery to commercialization ("*follow the molecule"*) as well as multiple entry points to acquire customers in intermediate stages of their discovery to commercialization journey. By establishing and maintaining connections with customers early in the drug discovery process, we are able to accompany our customers end-to-end in every stage of drug development, from initial research to final production if our customers engage us throughout their discovery or commercialization journey. We believe that this provides customers with the benefits of speed, cost and innovation through continuity and relatively faster transition through the various phases of drug development.

Furthermore, we have demonstrated our capabilities to take over and scale-up customers' programs through technology transfers from other CRDMOs. As of March 31, 2024, our CDMO portfolio constituted 49 "late phase" (products which are undergoing or have completed Phase III clinical trials) or commercial products, 34 of which underwent process development in our R&D facilities before entering Phase III clinical trials, and the remaining 15 were transferred to our manufacturing facilities from another facility. This indicates our ability to both "*follow the molecule*" as well as absorb technology quickly from the customers or their existing CDMO, providing multiple entry points to customers.

With respect to the CRO services, for the Financial Year 2024, 75.19% of our total revenue from chemistry services was derived from customers who also engaged our biology and/or DMPK service.

2. CDMO platform with a diverse mix of commercial and under-development molecules

We provide end-to-end development and manufacturing services covering the full value chain for intermediates and APIs. As of March 31, 2024, our development and manufacturing portfolio constituted 38 products used in the production of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products used in the production of ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*). In addition, as of March 31, 2024, we also have a portfolio of over 100 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages.

As per the *F&S Report*, strong technical and R&D infrastructure capabilities, availability of skilled scientific talent and quality manufacturing with clean track record of regulatory compliance, are some of the key success factors for a CDMO. We offer comprehensive small molecule technology capabilities through our scientific talent and laboratory infrastructure combined with a unique delivery model. Our capabilities in complex chemistry, advanced chemical synthetic approaches (such as chiral chemistry, biology and chemistry catalysis), advanced production technologies (such as flow chemistry, column chromatography, lyophilization, cryogenics and high pressure reactions) and comprehensive analytical testing methods (such as solid state characterization and structure elucidation) allow us to service a wide range of customers' specific needs ranging from conventional small molecules to highly potent oncology APIs ("**HPAPIs**"), peptide APIs, contrast agents to building blocks of oligonucleitode and other RNA based therapeutics.

Notably, our technical and R&D infrastructure capabilities resulted in us being awarded an early stage, complex and lengthy carbohydrate chemistry project with several chemical steps by an innovator pharmaceutical company, which, as per the F&S report, is ranked among the top 25 pharmaceutical companies (in terms of revenue for calendar year 2023). As a result of our R&D team's process development efforts, we were able to reduce the cost for this company by more than 70%, and we were also able to improve its yield. As of the date of this Draft Red Herring Prospectus, we continue to manufacture this product commercially.

We also offer manufacturing services that are supported by our R&D capabilities. Our infrastructure and equipment are built with a high degree of containment, automation and connectivity for the plant infrastructure to increase safety, precision of data collection and ensure that the final products manufactured consistently meet the required quality standards. Our Unit IV Bidar Facility has received approvals pursuant to audits conducted by the USFDA, the PMDA, Federal Commission for the Protection against Sanitary Risk of Mexico ("**COFEPRIS Mexico**"), and has undergone more than 250 audits by our customers as of March 31, 2024. In terms of our manufacturing philosophy, we are focused on environment, health and safety in our design, operations, and culture.

As of March 31, 2024, approximately 25% of the combined total of 49 late phase (commercial, Phase III and post-Phase-III products) and 35% of the 100 early-phase products in our portfolio are APIs. We believe that this percentage of APIs in the product portfolio reflects our customers' confidence in our quality and regulatory compliance. 15 of these 49 late phase products were transferred to our manufacturing facilities from another facility.

3. Fast-growing, integrated Discovery capabilities with focus on biology, chemistry and DMPK services

Our Discovery business grew at a CAGR of approximately 34.77% from Financial Year 2022 to Financial Year 2024. We added 230 new customers from the Financial Year 2019 to the Financial Year 2024, and we served more than 200 customers in each of the Financial Years 2022, 2023 and 2024. The number of customers outsourcing their integrated discovery programs to us increased from 29 in the Financial Year 2019 to over 60 in the Financial Year 2024. As of March 31, 2024, we provided services for more than 140 small molecule discovery programs, with at least five of these programs having culminated in the approval of drugs that are now commercially available in the market, and at least 40 programs have resulted in IND filings. Our co-located technical competencies spans biology, chemistry and DMPK services within our Unit II Hyderabad Facility where our scientific services are conducted by a single CRO for time and cost efficiencies, enables an "integrated drug discovery" process for our customers. We have biology capabilities both in the Unit II Hyderabad Facility and the Greater Boston Facility, which enables us to engage an increasing share of customers to co-locate their discovery activities with us. Through our Greater Boston Facility, we have developed and transferred over seven biology assays that have enabled us to onboard seven drug discovery customers for conducting larger discovery programs in India for Financial Year 2024. In Financial Year 2024, 75.19% of our revenue from chemistry services were from customers who availed biology and/or DMPK services as well. This includes customers who outsourced their discovery programs to us on an FTE basis, which is one of our two models for service fee arrangement. For more information on our FTE model, please see "*Business Section – Contractual Arrangements*" on page 170.

Our scientific talent and laboratory infrastructure support diverse therapeutic areas such as oncology, immuno-oncology, CNS, autoimmune diseases, metabolic disorders, fibrosis, rare diseases, and more. As of March 31, 2024, we had 934 scientific staff engaged in offering discovery services, with majority of our scientific team holding advanced degrees, such as PhDs or master's degrees. We use high-throughput automated equipment in our biology and DMPK laboratories to deliver quality and high-volume data with very short turnaround times.

We are also one of the few CROs to have a dedicated R&D facility for one of our customers. *(Source: F&S Report*) Having a dedicated R&D facility demonstrates our ability to serve our customers with a comprehensive set of capabilities and long-term commitment by the customer. In 2023, one of our customers chose us through the request-for-proposal process to establish a specialized integrated drug discovery R&D centre within our premises to address the needs of this specific customer. This facility is staffed with a dedicated team of 83 professionals.

4. Long-standing relationship with a diverse base of existing and new customers

We have a diversified customer base that helps to reduce customer concentration. As of March 31, 2024, no single customer accounted for more than 9.55% of our revenue from operations. Our diverse customer base includes global pharmaceutical companies and biotechnology companies, including 18 out of the top 25 pharmaceutical companies in terms of revenue for the calendar year 2023, across the regulated markets of the US, the UK, EU and Japan (*Source: F&S Report*). The number of customers we serviced among the top 25 pharmaceutical companies, doubled from nine in the Financial Year 2019 to 18 in the Financial Year 2024. For more information on the average duration of relationship with our customers, please see "*Business Section – Customers*" on page 170.

The table below sets forth the revenue from operations from our top ten customers for the years mentioned.

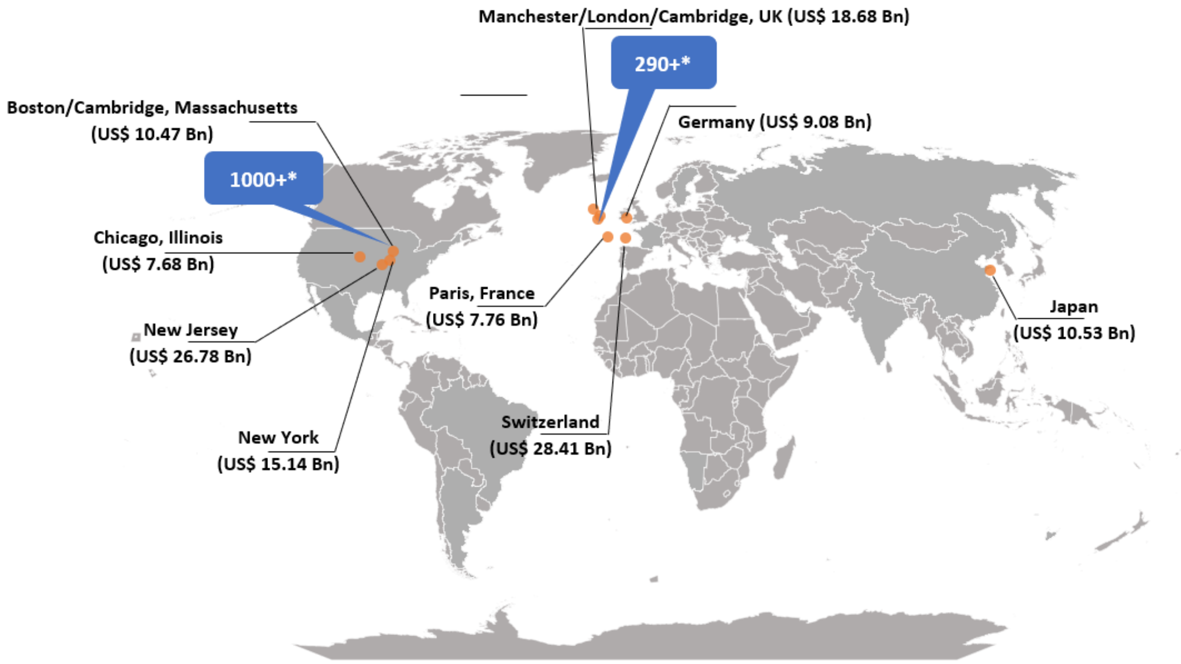
	For Financial Year		
	2024	**2023**	**2022**
Total revenue for our top ten customers (in ₹ million)	6,777.39	4,892.09	3,785.25
Percentage of revenue from operations (%)	46.26	40.19	43.53

As of Financial Year 2024, we have signed master services agreements ("**MSAs**") with eight pharmaceutical companies, facilitating an ongoing flow of early phase products into our portfolio and creating additional opportunities to "*follow the* *molecule"* to enhance our commercial product portfolio. Additionally, we also focus on providing services to mid and small-size pharmaceutical companies. According to the *F&S Report*, the global R&D expenditure of small pharmaceutical and biotechnology companies are expected to grow at a CAGR of 4.6% and 7.4% respectively from Financial Year 2023 to Financial Year 2028. Biotechnology startups had over US$150 billion aggregate venture capital funding over the period from Financial Year 2018 to Financial Year 2023. With greater access to capital, biotechnology and small pharma firms are increasingly outsourcing services especially discovery and development to contract service providers. (*Source: F&S Report)* We believe that we are well-positioned to capitalize on the expansion of this segment.

Our business development team consists of 16 experienced and scientifically qualified professionals, of which seven are in the US, seven are in the UK and Europe and one member is located in Japan. Our business development team identifies new opportunities and continues to maintain the local point of contact with customers throughout our relationships with these customers. Our delivery leads and project management teams remain in continuous contact with our customers' technical items during the execution of our customers' projects, and this helps us to identify new opportunities. Our continuous customer engagement provides us insights into global best practices and expectations, and we continuously adapt our infrastructure, processes, technical capabilities, and business models to stay up to date with the latest developments in the industry.

5. Modern R&D infrastructure with a differentiated delivery model and strong regulatory track-record

We have established a fully integrated CRDMO platform with access to talent from across the world (*Source: F&S Report*). We are the only CRDMO among the listed Indian peers that can conduct development activities in close proximity to our customers, and transfer technology for manufacturing back to India. (*Source: F&S Report*) We have strategic presence and we are located in close proximity to innovation clusters in the Greater Boston Facility and the Manchester Facility. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while our facilities in India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products. (*Source: F&S Report*) The map below indicates the global pharmaceutical and innovation hubs:



Source: F&S Report

Notes:

* Number of biotechnology and pharmaceutical companies

(1) Figures mentioned in the bracket are total R&D spending in US$ billion.

(2) In 2022, approximately 57% of global R&D spending were in these nine pharmaceutical hubs. Boston, London and Manchester do carry out significant pharmaceutical and biotechnology activities with approximately 11% of global R&D spending in these regions.

Our facilities have received several regulatory approvals and are subject to stringent quality standards and specifications, specified by our customers. Our facilities feature flexible set-ups, including large scale reactors for high-volume products, with some of our production areas specifically designed to accommodate modern drug development pipelines that produce relatively smaller quantities but involve more intricate chemical processes. We have four main facilities, each serving a unique purpose in drug discovery, development and manufacturing and adhering to applicable standards of safety, quality and regulatory compliance, in:

- Bidar, India (the "**Unit IV Bidar Facility**"): This serves as our primary manufacturing facility. With more than 425 KL of reactor capacity and employing a team of 592 scientific staff, as of March 31, 2024, the manufacturing blocks in our Unit IV Bidar Facility are designed as multi-purpose production trains, which allows for quick changes across multiple production processes. This facility has received approvals pursuant to audits conducted by the USFDA, PMDA Japan, and COFEPRIS Mexico, and it has undergone more than 250 audits by our customers, as of March 31, 2024.

- Hyderabad, India (the "**Unit II Hyderabad Facility**"): This facility houses a fully integrated R&D campus for Discovery R&D, CMC process development and clinical phase manufacturing with a 374 member CMC R&D team and 922 member Discovery services R&D team. The R&D centre within this facility houses the pilot manufacturing facility and an analytical testing and release laboratory, which have been inspected by the USFDA.

- Watertown (Greater Boston, MA), United States (the "**Greater Boston Facility**"): Our Greater Boston Facility has a team of 21 scientific staff and hosts an exploratory biology laboratory and houses advanced cellular and biochemical analysis platforms. For Financial Year 2024, the facility has developed and transferred over seven biology assays that has enabled us to onboard seven drug discovery customers for conducting larger discovery programs in India.

- Manchester, United Kingdom (the "**Manchester Facility**"): We have established and expanded a laboratory set-up in our Manchester Facility, titled as 'Centre of Excellence', in process chemistry equipped with modern laboratories. It provides development, scale-up and technology transfer to our India-based sites and is staffed by over 60 scientists. This site has enabled us to develop and transfer over 11 manufacturing processes to our plants in India.

In addition to the above-mentioned facilities, we also have an intermediate manufacturing plant ("**Unit III Bollaram Facility**") with 44 kL of reactor capacity in Bollaram near Hyderabad, India. The Unit VI Bidar Facility, together with the HPAPI block in Unit IV will enable us to cater to the oncology API market.

6. Experienced management team and Board supported by a qualified scientific talent pool

We are led by our team of senior management who possess significant experience in the pharmaceutical industry, both in India and internationally. For further details regarding our management team, including the industry experience of our other Key Managerial Personnel and Senior Management Personnel, please refer to "*Our Management*" on page 190. Members of our senior management team have more than 25 years of average experience. Our management team is led by our experienced promoters, Kanumuri Ranga Raju, and Krishnam Raju Kanumuri, who serve as the Chairman and Whole time Director and Managing Director and Chief Executive Officer of our Company, respectively. Kanumuri Ranga Raju founded the Company in 1999, and has driven the Company's growth through expansion, acquisitions and mergers, establishing it as a CRDMO in India. We are also supported by our Chief Financial Officer, Sivaramakrishnan Chittor, our Chief Operating Officer, Sauri Gudlavalleti, Maneesh Raghunath Pingle, Senior Vice President & Head – Business Development Discovery, and Tuneer Ghosh, Senior Vice President & Head – Business Development CMC of our Company.

We are supported by our financial investors, including TPG Asia VII SF Pte Ltd and HBM Private Equity India, who have partnered with us since 2018 and 2016, respectively. Our experienced Board is committed to corporate governance principles that ensure accountability, fairness and transparency in our business practices. Our governance framework is the cornerstone of our corporate integrity. For further details regarding our Board, please refer to "*Our Management — Our Board*" on page 190.

We are also supported by a qualified team of scientists and scientific staff, with over eight years of average industry experience. Beyond their qualifications, our scientists actively engage in ongoing education about the latest scientific and regulatory insights. Their collective expertise spans various disciplines, equipping them to undertake and oversee a multitude of functions across our business segments. This multidisciplinary knowledge allows us to allocate resources to meet customers' needs and enhances our overall efficiency. As of March 31, 2024, the majority of our scientific team held advanced degrees, such as PhDs and master's degrees.

7. Strategic business investments with improving profitability metrics

We are the fastest-growing Indian CRDMO among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (*Source: F&S Report*) This growth is complemented by a trend of improving margins. Our strategic initiatives which are focused on operational efficiencies, cost management and value creation allow us to not only grow but also improves our profitability and return on capital. For Financial Years 2024, 2023 and 2022, our total revenue from operations was ₹14,651.78 million, ₹12,171.39 million and ₹8,695.93 million, respectively, representing a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our EBITDA margin was 20.48%, 14.97% and 15.07%, respectively and the EBITDA CAGR was 51.32% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our profit after tax was ₹828.09 million, ₹99.89 million and ₹62.26 million, respectively. Please see "*Our Business – Overview*" on page 156 for information on our financial and operational information. This positions us well against competitors and provides the foundation for future financial health and shareholder value. One of our notable investments in this regard includes our organizational transformation initiative, "*Sai Nxt*", to augment our talent, processes, and infrastructure.

Strategies

1. Increase cross-selling with existing customers and win new customers

We seek to increase average spending from existing customers through deeper engagement and cross selling of our services. We serve a diverse customer base of more than 280 innovator pharmaceutical companies that includes global pharmaceutical companies and biotechnology firms in Financial Year 2024. Our clientele includes 18 out of the top 25 pharmaceutical companies, in terms of revenue for the calendar year 2023, across regulated markets, including the US, the UK, Europe and Japan (*Source: F&S Report*). Moreover, the overall penetration of the global R&D outsourcing services market increased from 36.7% in 2018 to 41.1% in 2023 and is further expected to grow to 46.6% by 2028. (*Source: F&S Report)* For the last three Financial Years, approximately 32% of our revenue came from customers who availed more than one of our CMC services (including early phase development and late phase manufacturing services) and approximately 70% of our revenue came from customers who availed more than one of our Discovery services (including chemistry, biology and/or DMPK services).

In addition to increasing penetration with existing customers, securing new customers is a key priority for us. Over the past three Financial Years, we have onboarded three large pharmaceutical companies and 128 biotechnology companies. These new partnerships have not only demonstrated our strengths but have also opened opportunities for cross-selling and upselling our services. By delivering quality research and manufacturing solutions, we aim to deepen these relationships, turning initial contracts into long-term collaborations.

We also aim to capitalize on the increasing demand for integrated Indian CRDMOs. Demand for Indian CRDMOs providing integrated services is significantly increasing, driven by shifting geopolitical factors that are significantly increasing, such as the "China plus one" strategy, effect of the Biosecure Act and Inflation Reduction Act, among others. (*Source: F&S Report)* Given our ability to *"follow the molecule"* and provide multiple entry points to customers, we believe that we are well-positioned to leverage these industry trends and drive future growth.

We expect that our future success in existing customer penetration and new customer acquisition to a large extent will depend on trained delivery personnel, project management and business development teams. As of the date of this Draft Red Herring Prospectus, our business development team includes 16 experienced and scientifically qualified professionals, of which, seven are based in the US, seven in the UK and Europe, and one member is located in Japan. This team is dedicated to understanding customers' needs and solving their research problems and strive to increase our visibility through participation in conferences, training sessions, trade shows, speaking engagements and seminars.

2. Continue to build a strong commercial development and manufacturing portfolio of CMC capabilities

As of March 31, 2024, our development and manufacturing portfolio consisted of 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products for ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*).

We expect to continue this "*follow the molecule"* strategy through the MSAs with eight pharmaceutical companies that provide us with an ongoing flow of early phase products and grow our commercial portfolio by continuing to support the advancement of the early-stage products in our portfolio to late phase and eventual commercialization. Additionally, we continue to expand our pipeline of products through our business development team located in close proximity to our customers in the US, the UK, Europe and Japan.

We also intend to strengthen our position as an alternative for customers looking to add outsourcing sites in Asia and directly add late phase and commercial products through technology transfer. Pharmaceutical companies typically engage two manufacturers closer to commercialization or post-commercialization of the drugs that they manufacture to mitigate the risk associated with relying on a single supplier. We have successfully completed technology transfers of 11 late phase and commercial products in the last three years and seek to become a partner of choice for customers looking for geographical diversification.

3. Pursue more integrated Discovery projects to drive customer stickiness along with larger integrated Discovery programs

The revenue from our contract research increased from ₹2,737.28 million in the Financial Year 2022 to ₹4,971.70 million in the Financial Year 2024. During the Financial Year 2024, more than 60 customers availed our services for their integrated drug discovery programs, an increase from 29 customers availing our services for integrated discovery programs in the

Financial Year 2019. While chemistry is the largest Discovery service we provide in terms of revenue and laboratory capacity utilization, 75.19% of our revenue from chemistry services was from customers who engaged our biology and/or DMPK services. The rise in integrated offerings by Indian companies with increased biology and DMPK capabilities is driving significant growth in Discovery and pre-clinical segments. Among the functions of the value chain, the pre-clinical development is expected to grow at a significantly faster pace at 15.7% from Financial Year 2023 to 2028. (*Source: F&S Report*) We intend to leverage our integrated Discovery offerings, built on our advanced, co-located chemistry, biology and DMPK capabilities to acquire new customers and increase our market share in existing programs. During the Financial Year 2024, we provided Discovery services, including chemistry, biology and DMPK services to 222 customers. We also intend to increase our revenue from Discovery services by providing standalone chemistry, biology and DMPK services to new customers acquired through the effort of our business development teams located in US, UK, Europe and Japan. For more information on our differentiated Discovery business, please see "*Our Business – Strengths – Fast-growing, integrated Discovery capabilities with focus on biology, chemistry and DMPK services*" on page 160.

Over the last three Financial Years, our Discovery capabilities and utilization capacity have expanded. Our global scientist staff increased from 617 as of March 31, 2022, to 934 as of March 31, 2024. During the same period, we have added 84,000 square feet of laboratory space and multiple new technical capabilities. These enhancements allow us to serve additional customers and increase our revenue. Furthermore, we plan to leverage our front-end scientific presence in Watertown (Greater Boston, MA), US, where we provide exploratory biology services to engage with our current and prospective customers, and develop opportunities to support them in their drug discovery journey. Our senior scientific staff in India and the US, in collaboration with our business development team, develop tailored go-to-market strategies to meet our customers' specific needs and maximize the impact of our offerings. We continue to expand our capabilities in India, in terms of physical infrastructure for chemistry, biology and DMPK services, increased technology automation in our processes to improve speed and efficiency.

Additionally, we intend to deepen engagements with global pharmaceutical companies through our technical and execution capabilities. We have initiated actions to leverage our existing relationships with the large pharmaceutical companies that use our CDMO services to cross sell our Discovery services.

4. Continue to expand our existing capacity and add new technical capabilities

Based on our current CMC product portfolio, we expect the need for increased manufacturing capacity as the commercial products grow in volumes, and development phase molecules advance through clinical trials and achieve commercialization. We are investing in increasing our manufacturing capacity to support our future growth. We are adding new production blocks and ancillary facilities in the Unit IV Bidar Facility as well as the new Unit VI Bidar Facility. Additionally, to meet the needs of our growing portfolio of customers availing Discovery services and additional growth opportunities, we are in the process of expanding our Discovery laboratory capacity by fully utilizing the available footprint in Hyderabad, India. As of the date of this Draft Red Herring Prospectus, we are in the process of building chemistry and associated analytical facilities, biology laboratories and additional facilities for *in-vivo* studies at our Unit II Hyderabad Facility. Furthermore, we are in the process of strengthening our existing offerings in flow chemistry, particle sciences and early-stage formulation development and supply through the addition of new infrastructure and scientific staff.

We will also continue to broaden our capabilities through acquisition or investment in new technologies, while also expanding our laboratory infrastructure and manufacturing capacities. Going forward, we intend to expand our Discovery and CMC services to cater to emerging therapeutic modalities, including antibody drug conjugates, oligonucleotides, peptides mRNA therapeutics, cell and gene therapies as well as growing areas such as oncology APIs and animal health APIs. As part of our CMC and Discovery services, we have initiated collaborations with multiple pharmaceutical and biotechnology companies in some of these emerging modalities that have the potential to expand as we demonstrate our capabilities.

Furthermore, we believe that our advanced technologies have been crucial in allowing us to offer efficient and effective solutions to our customers. Our "Digital, Analytics and Automation" strategy is one of our core innovation initiatives. At present, majority of our R&D and manufacturing activities are tracked and managed using digital platforms. For example, as at the date of this Draft Red Herring Prospectus, all of our experiments are recorded using electronic laboratory notebooks and our manufacturing activities are tracked and recorded on electronic quality management systems and supervisory control and data acquisition systems. This level of digitalization not only assures data integrity but also enables advanced analytics of R&D and manufacturing data using artificial intelligence ("**AI**").

We also continue to implement robotic automation, automated liquid handling, real-time data acquisition and parallel experimentation in both our Discovery and CMC R&D laboratories. Such laboratory automation not only frees up our scientists from daily routine that could be mechanized for more advanced research activities, but also allows us to generate higher volume of accurate data that would not be possible if done manually. We have initiated building models based on AI and machine learning algorithms to leverage the large amounts of data being recorded in these electronic systems to develop innovative solutions to address our customers' scientific problems, develop more robust and cost-effective manufacturing processes and ultimately accelerate projects and save cost. We have built strong capabilities in AI-based

Computer Aided Drug Design ("**CADD**") and are able to provide CADD services to our integrated discovery customers as a revenue-generating service, through the use of our in-house platform, Nuron.

5. Continue to drive operational excellence initiatives to improve profitability and return metrics

We continue to enhance operational efficiency and increase productivity by leveraging technology and enhancing our infrastructure and operating processes. We plan to leverage our technology-enabled processes and tools to streamline operations across all our functions and facilities. We also aim to leverage new-age technologies to optimize our operations and service delivery. We also intend to improve our human capital by providing training programs and workshops, which we believe will help increase the efficiency of our workforce and aid in improving our operational efficiency.

As part of our digitalization and automation strategy, we digitalize data and automate tasks with the aim of driving efficiency, speed, innovation, quality and service diversification. Under our "Digital, Analytics and Automation" initiative, we engage in paperless data acquisition, science-based modelling and predictive analytics. We will continue to deploy tools to shorten lead times for better customer experience and in turn, customer retention.

Additionally, we have been running a comprehensive operations excellence program "SaiGo" since 2019. Under this program, we have implemented a "Shopfloor Transformation Initiative" across our R&D and manufacturing platforms to improve the rigor of daily operations management. We also regularly conduct "Kaizen Blitz" drives for employees to proactively identify process improvement and cost saving opportunities. Each year, we also design and implement operations transformation initiatives to drive improvements in profitability and capital efficiency in areas such as raw material usage, procurement cost reduction, manufacturing efficiency, scientist productivity, sales coverage, and price realization. Furthermore, to enhance our operational effectiveness, we have implemented a system for end-to-end planning, and redesign our governance framework regularly to connect our annual operating plans with quarterly, monthly and weekly targets.

6. Continue to attract, train and retain quality talent to support our rapid growth

The success of our endeavors also relies on our talent pool. We will continue to take initiatives to recruit, train, upskill and retain our talent pool, particularly our research scientist staff. We continue to utilize our recruitment channels, which include a combination of structured campus recruitment programs, lateral hiring programs and internal referrals.

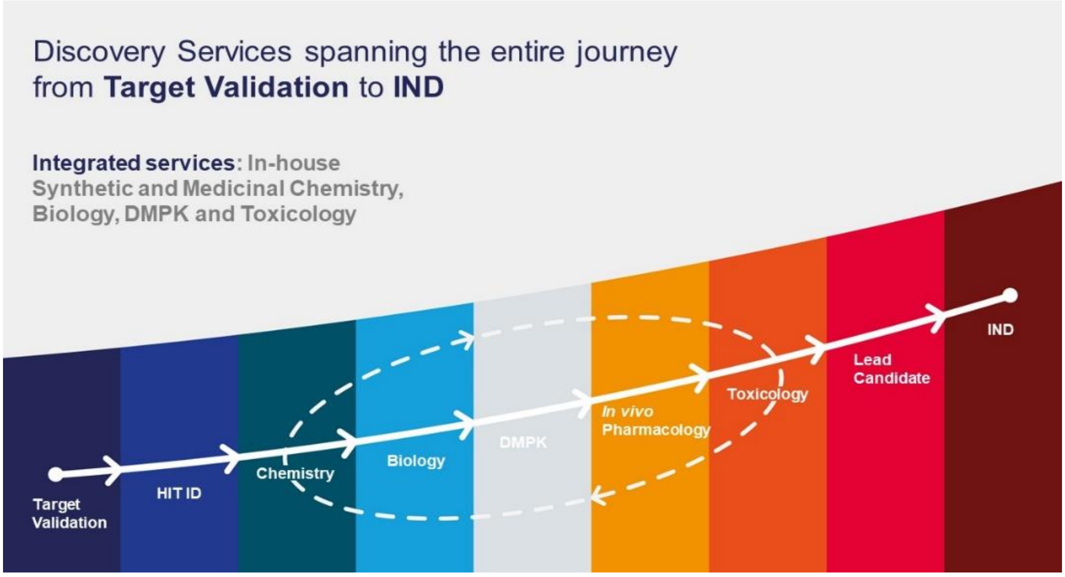
Furthermore, we will continue to offer learning and research opportunities to our employees through continuous training and upskilling programs, conferences, seminars, training sessions, trade shows, speaking engagements and seminars, among others. For example, in 2019, we launched the "Sai Gurukul" initiative to provide our employees technical and compliance related training through a digital platform. For this initiative we were awarded the Gold Award in Brandon Hall Group Excellence Awards 2021 under the "Best Advance in Learning Technology Implementation" category. In the Financial Year 2024, we expanded our scientific learning initiatives through the inauguration of "Sai Academy", an in-house platform for continual learning, mentoring and scientific support.

Additionally, one of the main focus areas of our "Sai Nxt" initiative is also people and culture, which aims to strengthen our workforce by expanding the scientific talent pool, induct global scientific and leadership talent, role-based integrated online training and shop floor transformation, being an established transformation initiative in manufacturing. We have also put in place other human resources initiatives, including establishing transparent performance evaluation systems to highlight areas of improvement and allow us to identify talent for promotion and offering visible career progression. Further, to retain and incentivize our employees, we will continue to enhance our performance-based compensation and review system to reward and promote service excellence. We believe our transparent performance evaluation, clear career progression opportunities, technical and managerial training and competitive compensation positions us well to attract and retain talent.

Our Services

We provide Discovery and CMC services that span from drug discovery to process development and early-phase supplies, all the way to commercial launch and life cycle management:

(i) **Discovery:** Our Discovery capabilities include standalone and integrated discovery services for innovator pharmaceutical and biotech companies, located in the US, UK, European Union and Japan. For the Financial Year 2024, Financial Year 2023 and Financial Year 2022, we had served 222, 251 and 213 customers, respectively. We have completed discovery programs across therapeutic areas such as oncology, CNS disorders, inflammation, antivirals, rare diseases, among others. The services we offer include:



a) Target identification and validation. The first step in the new drug discovery process is the identification and validation of targets, such as DNA, enzymes, receptors, and ion channels for diseases by conducting laboratory experiments. Performing these studies is a differentiated capability that we offer at our biology laboratories within our Greater Boston Facility and Unit II Hyderabad Facility. In the Financial Year 2024, we were involved in target identification and validation for nine drug discovery programs.

b) Hit identification (“**Hit ID**”). It is the preliminary step in drug discovery, after the identification of biological target, a process of finding NCEs that can bind to the isolated biological target and modify its function in a test tube condition. An appropriate and successful Hit ID phase enables for R&D all the way to market.

c) Biological assay development. The next step in the drug discovery process is the design and development of assays, which are laboratory testing methods, to evaluate the activity of a potential drug-like molecule against the selected disease target. This includes the use of technologies to develop and implement a variety of biochemical, cellular, biophysical and pharmacological assays. Biology is a differentiating strength of our Discovery offerings, driven by scientists in our biology laboratories within our Greater Boston Facility and Unit II Hyderabad Facility. Once the assay methods are developed at the start of the discovery program, every compound that is designed and synthesized (described in subsequent steps c and d below) is tested for its activity using the selected assay methods. While target identification, validation, assay development and assay testing are all conducted by our biology scientists in Boston and Hyderabad, the bulk of our biology effort in terms of volume is involved in executing the assay tests. We offer both standalone and integrated biology services, along with chemistry, to develop assays and test compounds sent by our customers. In Financial Year 2024, we developed and optimized 300 assays.

d) Medicinal chemistry and computer aided drug design. We have a team of qualified scientists for analyzing data and designing new molecules with the potential activity against selected disease targets. They use their training in medicinal chemistry as well as various off-the-shelf Computer Aided Drug Design (“**CADD**”) software to design such candidate molecules. We offer their services as part of integrated drug discovery projects to lead or support our customers’ molecule design efforts.

e) Synthetic chemistry and small-scale compound delivery. Majority of the effort in a drug discovery program goes into synthesizing sample quantities of the compounds designed by computational and medicinal chemists from our customers’ or our teams. We set up dedicated teams of qualified synthetic chemists for each of our customers’ drug discovery programs. Their expertise in chemistry combined with a variety of laboratory techniques to prepare sample quantities of the design compounds sufficient for conducting biology as well as DMPK and toxicology studies. Our synthetic chemists are experienced in working on a variety of chemical structural classes and modalities, such as macrocycles, carbohydrates and sugars, peptides, nucleosides, nucleotides and phosphoramidites, heterobifunctional molecules, degraders and glues, among others.

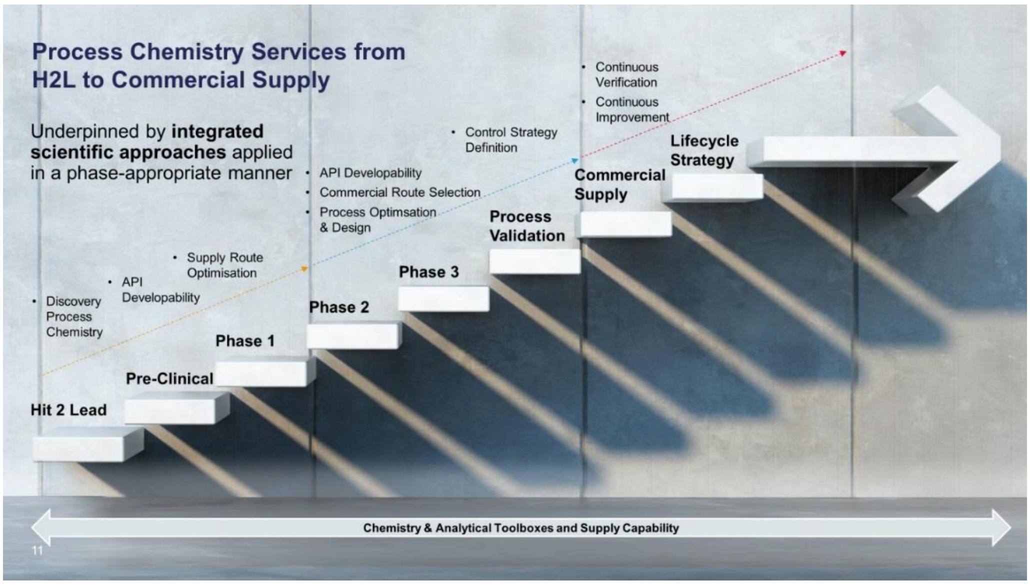
f) DMPK and toxicology. DMPK studies are conducted to understand how a drug-like molecule may affect the human body after administration. Toxicology studies help assess potential adverse impact of these molecules on the human body. We offer a comprehensive suite of *in-vitro* and *in-vivo* DMPK and toxicology study capabilities at our Unit II Hyderabad Facility. We perform these studies both as part of our integrated drug discovery programs, on compounds synthesized by our own synthetic chemistry teams, as well as on a standalone basis, on compounds sent to us by our customers. We believe that our service differentiators are speed and quality of data driven by our scientific team and laboratory automation.

g) Lead candidate: A lead candidate is a small molecule with pharmacological activity (efficacy in smaller animals) that has been chemically optimized and tested through biological assays with sufficient target selectivity and favourable medicine-like properties which justifies further development.

h) IND filing enabling studies. This is the final step in the process where the prepared documentation about the drug (its components, usage and safety information) is submitted to the regulatory authorities for approval to test the drug in clinical trials. We offer a number of the tests that are required to be carried out on the drug candidate for this regulatory submission, including, cross species profiling in *in-vitro* DMPK assays, drug-drug interactions, *in-vivo* pharmacokinetics, toxicology and toxicokinetics, and safety pharmacology.

(ii) **CMC:** Our CMC capabilities include the development of scalable chemical manufacturing processes for identified drug candidates and delivering materials for clinical studies as well as commercial sale. Materials supplied include APIs, intermediates, registered starting materials ("**RSMs**") or key starting materials ("**KSMs**"). We work with customers across US, UK, Europe, Japan and other regions in the world across multiple therapy areas as well as human and animal health drugs.

As of March 31, 2024, our development and manufacturing portfolio constituted 38 products used in the manufacture of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products for ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*). Our pipeline for additional late phase products is mainly derived from two sources: (i) our portfolio of early phase products developed successfully in Phase II clinical trials as our customers are more likely to continue engaging us for late phase supplies and (ii) selection as a second supplier by customers who have previously worked with a different CDMO or their internal manufacturing facilities.



a) Process research, route development and optimization: During the development stage, we develop efficient, scalable, quality, cost-effective manufacturing processes for drug candidates, and produce drug substances or their precursors for our customers to use in preparing samples for pre-clinical studies and various phases of clinical trials. Our specialized capabilities in complex chemistry and analytical method development enable us to support virtually every type of small molecule drug candidate. We have specialized capabilities in developing advanced crystallization processes, which are enhanced by real-time monitoring through process analytical technology tools. Our operations are supported by analytical R&D laboratories, which are equipped with the technology to ensure quality results using multiple chromatographic, spectroscopic and solid-state analytical techniques. We have a dedicated process engineering team that focuses on critical process parameters ("**CPP**"), batch cycle time, and scale-up efficiency. This team works independently of the production function to ensure successful "transfer of technology" from the laboratory to the plant.

b) Early phase material supply: Our customers require APIs or intermediates for use in pre-clinical, Phase I or Phase II clinical trials. Towards this, the chemical processes developed in the laboratory by our scientists are replicated at a higher scale in our medium scale pilot plant or large-scale manufacturing plant through a "technology transfer" process. We then undertake fee for service (purchase order) based projects to produce and deliver specified quantities of materials as required by our customers.

c) Late phase material supply, process validation and NDA filing support: As drug candidates successfully progress from early phases to late phases of clinical trials, the quantity and quality of material required increase as do the probability of regulatory approval and commercialization. At this time, manufacturing processes are expected to be finalized and submitted to regulatory authorities for approval and subsequent launch. Manufacturing processes often need to be "validated", that is, the manufacturing plants need to demonstrate their ability to repeatably and reproducibly produce and analyze APIs and intermediates of specified quality, at commercial scale. Regulatory agencies such as the USFDA may inspect our manufacturing facilities prior to approving drugs for commercialization. For further details, see "*Risk Factors – We are subject to extensive government regulation, and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits and approvals required to operate our business, results of operations and cash flows may be adversely affected.*" on page 26. We have significant experience in developing, validating and documenting commercial manufacturing processes.

d) Commercial material supply and life cycle management: Once we have demonstrated the manufacturing process for a late phase or commercial products in our commercial manufacturing plant, we are ready to supply materials to our customers on an ongoing basis. We work based on purchase orders and long-term supply agreements with our customers to manufacture and deliver APIs or intermediates as per their requirements over multi-year periods. Our R&D, manufacturing and supply chain teams continue to work on improving production efficiencies and procurement costs of these products as part of their life cycle management.

Facilities and Approvals

The table below provides details of our facilities and approvals, as of March 31, 2024:

Facility	Function	Laboratory / Blocks	Accreditations, Regulatory Approvals and Other Details
Unit IV Bidar Facility	This site manufactures APIs and advanced intermediates for highly regulated markets, including the US, EU and Japan. We employ a team of 592 scientific staff at our Unit IV Bidar Facility.	Production Blocks: 11 production blocks with a combined capacity of more than 425 KL equipped to supply RSM, intermediates, and APIs for both clinical and commercial purposes. An additional production block with over 200 kL of capacity is under construction as at the date of this Draft Red Herring Prospectus. High Potency Block: a dedicated facility designed to manufacture high potency products with six reactors capacity ranging from 100L to 1600L. Amidites Block: a dedicated facility to manufacture amidites with six reactors with capacity ranging from 500 L to 1500 L. Quality Control Laboratory: Dedicated laboratory with 113 analytical scientists to conduct in-process and final analysis for the products being manufactured at the Unit IV Bidar Facility. Additional capabilities include lyophilization at both pilot and commercial scales, high-pressure reactions, commercial-scale chromatography and cryogenic reactions at 2.5 KL, 4 KL, and 5 KL scales.	The Unit IV Bidar Facility has received approval pursuant to audits conducted by the USFDA, the PMDA, COFEPRIS Mexico, and it has undergone more than 250 audits by our customers as at the date of this Draft Red Herring Prospectus. It is also GMP certified by regional regulatory bodies. The Unit IV Bidar Facility holds ISO14001 (Environment Management Systems), ISO45001 (Occupational Health and Safety Management Systems), ISO50001 (Energy Management Systems) and ISO27001 (Information Management Systems) certifications, while our Unit II Hyderabad Facility holds ISO14001, 45001 and 27001 certifications.
Unit VI Bidar Facility	This site manufactures APIs for oncology products with segregation and containment requirement.	Five reactors with volume ranging from 0.25 kL to 2 kL, and one clean room with a containment level of 1 ug/m3 for production of oncology APIs.	As at the date of this Draft Red Herring Prospectus, the Unit VI facility is in the process of being commissioned and this process is targeted to take place in 2024.
Unit II Hyderabad Facility	The 12-acre integrated R&D campus in Hyderabad houses both our Discovery and CMC R&D teams, including 24 chemistry laboratories, for Discovery R&D, CMC process development and clinical phase manufacturing. This campus also hosts our 374 member CMC R&D team, offering a comprehensive suite of services that include process R&D, analytical R&D, process safety, quality control, process engineering and scale-up and pilot plant operations.	**Discovery** Medicinal Chemistry: we have 343 fume hoods with each laboratory being self-contained and equipped with dedicated liquid chromatography-mass spectrometry for reaction monitoring, CombiFlash® units and other complementary infrastructure, alongside industry-leading analytical support. Biology: we have a biology laboratory of 42,653 square feet which is currently in operation and another 11,000 square feet (project work is under progress) which is expected to be operational by the fourth quarter of Financial year 2025. This laboratory offers custom assay development, high-throughput screening and structure-activity relationship ("**SAR**") support, cell line generation, cell assays and high-content screening, protein production, biochemical assays, surface plasmon	The R&D centre, including the pilot manufacturing facilities, at Hyderabad, has been approved by the USFDA and has been certified for GMP by regional regulatory bodies. It also holds ISO 14001, ISO 450001 and ISO 27001 certifications. The facility also holds GMP certification from regional authorities and ISO 27001 information management system certification.

		resonance ("**SPR**"), electrophysiology, target engagement/ pharmacokinetic-pharmacodynamic ("**PK-PD**") studies, biomarker assessments and efficacy models. DMPK: we have a 26,329 square feet laboratory, that includes fully integrated and automated Wave-1 ADME, Isotope Dilution Oligonucleotide Quantification Technique ("**IDOT**"), API7500, High-Resolution Mass Spectrometry ("**HRMS**"), large cell culture suites, validated drug transporter assays and IND packages. The Unit II Hyderabad Facility also comes with HPAPI laboratories, process safety laboratory, 1 µg/m3 containment and technologies, which include biocatalysis, chemocatalysis, flow chemistry, particle formation, nucleosides and phosphoramidites.	
		CMC Process Chemistry: we have a fully equipped analytical R&D laboratory with 120 fume cupboards across 14 laboratories with single-fluid heating and cooling systems, Radleys Parallel Synthesizers, dedicated high pressure liquid chromatography systems for in-process analysis and other complimentary infrastructure, jacketed laboratory reactors and satellite analytical laboratory. Pilot Manufacturing Facility: we have a dedicated facility within R&D campus for early phase supplies up to 15 kg. Analytical Chemistry Laboratories: there are three laboratories of 4,800 square feet consisting of multiple analytical techniques covering chemical characterization, structural elucidation and solid-state characterization of in-process and final compound samples. Process Engineering and Particle Sciences Laboratories: we have 23,032 square feet of laboratory with miniature chemical reactors and analytical tools for conducting experiments to mimic manufacturing processes at the small scale as part of the technology transfer process. Clinical Trial Supply Manufacturing Facility: we have two production blocks with 14,000 square feet reactors of capacities ranging from 100 to 350 liters and a cleanroom for API production, used for scale-up trials as well as clinical phase API and intermediate supplies to customers. Quality Control and Quality Assurance Laboratories: we have a 5,000 square feet quality control laboratory where clinical trial API and intermediates for customer supplies are tested and released.	
Greater Boston Facility	This facility houses a laboratory equipped for fit-for-purpose exploratory biology and houses advanced cellular and biochemical analysis platforms. We provide exploratory biology services to start-ups/ biotechnology companies in the Boston area and in North America. Our Greater Boston Facility has a specialized team of 21 scientific staff.	Biology Laboratory: This 20,000 square feet laboratory is dedicated to discovery biology, complemented by a large biology team in India.	-

Manchester Facility	This facility is engaged in advanced process research, novel process development, clinical API supply as well as technology transfer of processes to the India manufacturing sites. At this facility we employ a team of 65 scientific staff	Process Chemistry Laboratory: we have a 20,000 square feet process chemistry R&D, analytical and scale-up laboratories. Pilot kilo laboratory and GMP kilo laboratory: cGMP-compliant pilot API production facility that provides quality and efficient development, scale-up, clinical trial API supply and technology transfer to our Indian facilities.	The GMP production line has been inspected by some of our customers. Our laboratories come with 21CFR Part 11 compliant software and ISO 9001:2015 certified quality system.
Unit III Bollaram Facility	This site manufactures intermediates and APIs.	Production blocks and facility with a combined capacity of 44 KL and a hydrogenator with 2.5 L, 100 L and 1000 L.	This facility is GMP certified by regional regulatory bodies.

The table below indicates the capacity utilization with respect to each of our facilities, for the periods indicated:

Particulars	**As of and for the financial year ended March 31**		
	2024	**2023**	**2022**
	(Liters per day, except percentages)		
Unit II Hyderabad Facility			
Installed capacity	3,423.00	3,673.00	2,863.00
Actual utilized capacity	2,689.51	2,784.75	2,349.40
Capacity utilization %	**78.57**	**75.82**	**82.06**
Unit III Bollaram Facility			
Installed capacity	44,800.00	44,800.00	44,750.00
Actual utilized capacity	33,893.06	29,825.41	20,046.26
Capacity utilization %	75.65	66.57	44.81
Unit IV Bidar Facility			
Installed capacity	435,250.00	409,920.00	409,920.00
Actual utilized capacity	298,226.36	286,852.66	185,640.69
Capacity utilization %	68.52	69.98	45.29
Total	483,473.00	458,393.00	457,533.00

Notes:

(1) The information relating to the installed capacity of the manufacturing facilities as of the dates included above are based on various assumptions and estimates that have been taken into account for calculation of the installed capacity. These assumptions and estimates include standard capacity calculation practice of industry after examining the calculations and explanations provided by the Company and the equipment/reactor capacities and other ancillary equipment installed at the facilities. The assumptions and estimates taken into account include the number of working days in a year as 365 days.

(2) The information relating to the actual utilized capacity at the manufacturing facilities as of the dates included above are based on the examination of the internal capacity utilization records provided by the Company, explanations provided by the Company, the period during which the manufacturing facilities operated in a year, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies.

(3) Capacity utilization has been calculated based on actual utilized capacity during the relevant fiscal year divided by the installed capacity of relevant manufacturing facilities as of at the end of the relevant fiscal year.

(4) As at the date of the Draft Red Herring Prospectus, the Unit VI facility is in the process of being commissioned.

Contractual Arrangements

Our service fee arrangement is primarily based on two types of models: (i) fee-for-service ("**FFS**") model and (ii) full-time equivalent ("**FTE**") model. As of March 31, 2024, 28.73% and 71.27% of our contracts with customers are based on FFS model and FTE model, respectively.

(i) FTE Model

Through FTE contracts, we offer services to our customers with dedicated resources. We execute work based on our customers' scope and bill for the number of resources engaged along with pass through costs on monthly basis.

(ii) FFS Model

Under the FFS model, we work based on purchase orders as well as long-term supply agreements with our customers to manufacture and deliver APIs or intermediates as per their requirements over multi-year periods. We also take on projects to produce and deliver specified quantities of materials as required by our customers.

Customers

We serve a diverse and global innovator customer base that includes multinational pharmaceutical companies and biotechnology firms. Our customers include 18 out of the top 25 pharmaceutical companies (in terms of revenue in calendar year 2023), across regulated markets including the United States ("**US**"), Europe and Japan (*Source: F&S Report*).

Our customer base and product portfolio are diversified, encompassing a balanced composition of late-stage, commercial and early-stage molecules, which mitigates the risk of concentration. As of March 31, 2024, our customer base is diversified, with no single customer accounting for more than 9.55% of our revenue from operations.

The table below sets forth the proportion of our largest, top five customers and top ten customers in terms of our revenue from operations for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***	***(₹ in millions)***	***% of revenue from operations***
Our largest customer	1,399.57	9.55	1,260.28	10.35	941.72	10.83
Our top five customers	4,567.37	31.17	3,457.63	28.41	2,423.21	27.87
Our top ten customers	6,777.39	46.26	4,892.09	40.19	3,785.25	43.53

The table below sets forth the average duration of relationship with our top customer, top five customers and top ten customers as at the date of this Draft Red Herring Prospectus.

	Largest	**Top 5**	**Top 10**
Average duration of relationship with our customers (rounded up to the nearest whole number) (*years*)	18	10	11

Raw Materials and Suppliers

We source materials from third-party suppliers, based on customer orders or manufacturing plan. The table below sets out raw material purchases from our top three suppliers and our top ten suppliers, including as a percentage of our cost of material, chemicals and reagents consumed, for the years mentioned:

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***
Purchases of raw materials from our three largest suppliers	483.77	11.43	615.91	14.42	586.69	21.76
Purchases of raw materials from our ten largest suppliers	1,057.97	24.99	1,313.59	30.75	1,109.50	41.15

We have a supply chain team comprising 49 members across sourcing, procurement and logistics with dedicated teams serving the unique needs of the Discovery and the CMC services we provide. The function follows a lean sourcing process to improve the procurement speed and accuracy while effectively managing supplier risk. Being a CRDMO that works with innovator companies, we have several unique raw material requirements when compared with generic pharmaceutical companies. To source these diverse requirements, we have developed a supplier base from across the world. We are also focusing on creating an indigenous supplier base for critical raw materials. Additionally, we have an employee stationed in China that helps in identifying the suitable suppliers for our requirements, tracking material deliveries and providing market intelligence on matters such as production situations at suppliers' side, commercial availability, and price movements.

The table below sets forth the amount of raw materials we imported for the years indicated.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***	***(₹ in millions)***	***% of cost of material, chemicals and reagents consumed***
Cost of materials imported						
From countries other than China	810.58	19.15	915.08	21.42	648.50	24.06
From China	1,174.86	27.75	1,261.58	29.53	887.01	32.90
Total cost of materials imported	**1,985.44**	**46.90**	**2,176.66**	**50.95**	**1,535.52**	**56.96**
Cost of material, chemicals and reagents consumed	**4,232.97**	**100.00**	**4,271.75**	**100.00**	**2,695.91**	**100.00**

Sales and Marketing

Our continuing and expanding customer relationships are developed by our business development team. As at the date of this Draft Red Herring Prospectus, this team consists of 16 experienced and scientifically qualified professionals, of which, seven are in the US, seven are in UK and Europe and one member is located in Japan. Our business development team is engaged both in identifying new opportunities as well as maintaining a local point of contact with customers throughout the lifecycle of the projects we undertake with these customers.

We market our services to pharmaceutical and biotechnology companies through regular sales meetings with their representatives and senior management. We also use various digital marketing channels, including advertisements, press releases, social media and email updates in addition to seminars, conferences and speaking engagements to promote our technologies, platforms and services. Additionally, referrals from our customers contribute to our business growth. We participate in trade conferences, trade shows and scientific conferences to maintain our industry presence.

Quality Control and Assurance

<u>Quality Control</u>

Electronic systems underpin our overall quality operations. The integrated electronic system encompasses all CGMP operations like R&D, analytical, material management, production, engineering, QMS and computer system assurance. Our ability to allow customers and their teams access data remotely for the purpose of audits proved timely and valuable during the Covid-19 pandemic.

<u>Quality Assurance</u>

Our quality assurance is an independent, global function which is part of the 285-member team (that comprises members from both quality control and quality assurance), reporting to our CEO. Our quality system is designed in adherence with USFDA, EU and ICH guidelines, 21 CFR Part 11 and Indian cGMP standards (Schedule M), for manufacturing registered intermediates and commercial APIs. This enables us to deliver products that consistently meet the expectations of the markets we serve, particularly the US, EU and Japan.

Technology

We utilize a wide range of technology-enabled systems to enhance R&D and manufacturing capabilities, and overall efficiency. For example, we have initiated building models based on AI and machine learning to leverage the large amounts of data being recorded in our existing electronic systems. By automating experiments using platforms such as robotic liquid handlers and high throughput experimentation, we can generate higher volumes of accurate data within a short period of time that would not be possible if done manually.

Also, as part of our digitalization and automation strategy, we digitalize data and automate tasks with the aim of driving efficiency, speed, innovation, quality and service diversification. Under our "Digital, Analytics and Automation" initiative, we engage in paperless data acquisition, science-based modelling and predictive analytics.

Furthermore, to enhance our operational effectiveness, we also engage in end-to-end planning, and we redesign our governance framework regularly to connect our annual operating plans with quarterly, monthly and weekly targets. Under the "Operational Excellence" initiative, we build organization wide culture and capabilities through some of the technology applications we use, or which are under development, including the following:

- <u>CRIMS:</u> a web-based app that tracks and monitors the real-time availability of chemicals and reagents using barcodes. It utilizes application-generated barcodes for seamless monitoring and management.

- <u>eProcure:</u> an aggregator application to simplify raw material ordering process, a web-based platform developed by us to enable customers to directly order chemicals.

- <u>SaiSynth:</u> a drug discovery digital platform under development that is designed to facilitate molecular synthesis research. The platform uses advanced algorithms to empower researchers in their trajectory from concept to cure.

- <u>GMP Pro:</u> a software to handle modules for various operations, like supplier evaluation, material receipts, inventory control etc, and facilitates processes like dispensing, in-process monitoring, and dispatch.

- <u>DMPK Automation Software:</u> an application under development that is designed to streamline assay execution from protocol generation to customer reports. It covers assay planning, protocol generation, machine operation scripting, plate map creation, data analysis and report generation.

Health, Safety and Environment

Health, Safety, and Environment ("**HSE**") are fundamental components integral to our long-term business strategy and pillars for sustainable growth. We maintain high HSE standards across all our facilities, including advanced fire protections systems, containment systems, effective affluent and waste management practices. Our mission is to set the benchmark in the pharmaceutical industry for outstanding HSE practices, operating under the core belief that "all incidents are preventable" and "good HSE is synonymous with good business." Our HSE policy delineates the organization's ambitions in these domains, offering guidance to our associates to foster and maintain high standards.

We uphold high standards of safety and industrial hygiene. Our commitment to safety begins with ensuring that our facilities are designed with safety in mind. We adhere to a hierarchy of occupational health and safety controls that emphasize elimination, followed by substitution, engineering, and administrative controls, resorting to personal protective equipment only as a final measure. Potential hazards are proactively identified and mitigated through a systematic hazard identification and risk assessment process.

We are committed to uphold high standards of occupational health and safety. We have a dedicated process safety team composed of chemical engineers and scientists. We operate an in-house process safety laboratory tasked with screening for thermal and powder safety hazards. Our containment systems can confine chemicals up to a concentration of 1 microgram per cubic meter. We possess industrial hygiene monitoring capabilities to assess noise levels, heat stress, and personal exposure to gases and solids. Our facilities feature effluent treatment facilities, including a zero liquid discharge plant at our Unit IV Bidar Facility.

For early detection of containment loss, we have installed vapor detection systems and oxygen detection systems in closed areas. Our fire protection systems include fire hydrants, sprinkler systems, foam suppression systems, modular extinguishers and dedicated electrical panel fire suppression systems, among other features. Our Unit IV Bidar Facility has a segregated hydrogenation block equipped with necessary safety interlocks.

As a recognition of our commitment to HSE standards, we received silver rating in sustainability by EcoVadis.

Environment, Social and Governance ("ESG")

We focus on sustainability and have adopted several ESG strategies and initiatives to, among others, to lower our carbon footprint. Driven by our philosophy of "Make it Better Together", our Company strives to achieve environmental, social, and economic stewardship while contributing to being an inclusive and sustainable company. We continuously seek ways to minimize water usage, energy consumption, greenhouse gas emissions and waste generation. To achieve our goal of being an inclusive and sustainable company, we have implemented a sustainability framework which is steered by national and international ESG protocols, reporting standards and principles. We have organizational sustainable development goals (which are modelled after the United Nations' Sustainable Development Goals) that define our commitments to ESG principles while creating and enduring value to all our stakeholders. For example, as part of an energy conservation plan, we have identified and executed various initiatives of energy savings in production, utilities and effluent treatment in Financial Year 2024, including the centralization of air compression and installation of energy efficient pumps. We also increased the use of renewable energy at our Unit IV Bidar Facility, to 89% in Financial Year 2024 from 67% in the Financial Year 2022, resulting in reduction of carbon dioxide emissions.

Our adherence to environmental standards and practices is pivotal in mitigating negative impacts on the environment and society. As a recognition of our efforts to promote ESG, we were the first India-headquartered company to join the Pharmaceutical Supply Chain Initiative in 2020. It is a reaffirmation of our commitment to implement and champion responsible supply chain practices. We have also joined the Science Based Targets initiative, being a collaboration between the CDP (formerly the Carbon Disclosure Project), the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature, in 2021 and are committed to set near-term company-wide emission reductions in line with latest climate science to help combat climate change.

Competition

The CRDMO market is marked by high fragmentation, with over 1,000 global CROs and CDMOs competing for market share. The demand for integrated CRDMO services is high, driven primarily by big pharmaceutical companies with a large portfolio of products across multiple geographies. Global and Indian CRDMOs include WuXi AppTec Co. Ltd., Pharmaron Beijing Co Ltd, Charles River Laboratories International, Inc., Syngene International Ltd. and Aragen Life Science Ltd. For more information, see "*Industry Overview – Competitive landscape of CRDMOs*" on page 151.

To compete effectively within the CRDMO market, we provide integrated end-to-end services across the drug discovery, development and manufacturing value chain, from drug concept to commercial manufacturing for NCEs to global pharma innovators. We are also one of the few CRDMOs to have research laboratories for discovery and development in major talent hubs outside India, with large-scale research laboratories and manufacturing facilities in cost competitive locations in India. For more information on our strengths and strategies to compete effectively in this industry, see "*Our Business – Strengths*" and "*Our Business – Strategies*" on pages 158 and 163, respectively.

Employees

As of March 31, 2024, we had 2,845 employees globally. The following table sets-out the number of full-time employees, by function, as of March 31, 2024.

Category	Number of employees
Business Development and Support	27
R&D	1,424
Manufacturing	616
Quality, Health, Safety and Environment	335
Operations Support (Projects, Engineering and Maintenance, Planning and Project Management)	238
Shared Services (HR, IT, Finance and Others)	205
Total	**2,845**

Insurance

Our operations are subject to hazards inherent in manufacturing facilities such as risk of equipment failure, cyber-attack, 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. We maintain ongoing insurance policies in order to manage the risk of losses from potentially harmful events, including insurance for industrial all risk, marine transit, burglary, product liability, cyber risk, directors' and officers' liability, group medical claim and group personal accident insurance. Also, see "*Risk Factors – Our insurance coverage may not be sufficient or adequate to protect us against all 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 40.

Awards

Over the years we have won several awards and accolades. For further details, see "*History and Certain Corporate Matters – Awards, accreditations and recognitions*" on page 185.

Intellectual Property

As of March 31, 2024, we had three registered trademarks. For details, see, "*Government and Other Approvals – Intellectual Property Rights*" on page 316.

Corporate Social Responsibility

We have constituted a corporate and social responsibility ("**CSR**") committee of our Board of Directors (the "**CSR Committee**") and have adopted and implemented a CSR policy, pursuant to which we carry out various CSR activities. Our CSR activities includes making donations and contributions to various foundations involved in providing skill development and livelihood generation centre, conducting health camps, and providing education to underprivileged sections.

For Financial Years 2024, 2023 and 2022, our corporate social responsibility expenses were ₹9.38 million, ₹17.45 million and ₹23.62 million, respectively. For further information, see "*Our Management – Corporate Governance*" on page 195.

Property

Our Company's registered office is situated at Plot No. DS- 7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal – Malkajgiri District, Hyderabad 500 078, Telangana, India and our Company's corporate office is situated at L4-01&02, SLN Terminus, Survey No.133, Gachibowli Miyapur Road, Gachibowli, Hyderabad.

As of the date of this Draft Red Herring Prospectus, we own and/or lease the following facilities:

Property	Location	Registered owner	Address	Area (Acres / square feet / square metre)	Leased/Owned	Duration of the Lease	Usage
Corporate Office	Telangana, India	Sai Life Sciences Limited	L4-01&02, SLN Terminus, Survey No.133, Gachibowli Miyapur Road, Gachibowli, Hyderabad	25,150.56 square feet	Leased	Nine years from December 14, 2015	Corporate office

Property	Location	Registered owner	Address	Area (Acres / square feet / square metre)	Leased/Owned	Duration of the Lease	Usage
Unit II Hyderabad Facility	Telangana, India	Sai Life Sciences Limited	Plot No. DS-7, IKP Knowledge Park, Turkapally (V), Shameerpet Mandal, Medchal-Malkajgiri (Dist), Hyderabad - 500078, Telangana, India	5.00 acres	Leased	33 years from February 22, 2007 with automatic renewal of 18 years	R&D
Unit II Hyderabad Facility	Telangana, India	Sai Life Sciences Limited	Plot No. DS-4, IKP Knowledge Park, Turkapally (V), Shameerpet Mandal, Medchal-Malkajgiri (Dist), Hyderabad - 500078, Telangana, India	1.50 acres	Leased	33 years from September 6, 2017 with automatic renewal of 18 years	R&D
Unit II Hyderabad Facility	Telangana, India	Sai Life Sciences Limited	Plot No. DS-16, IKP Knowledge Park, Turkapally (V), Shameerpet Mandal, Medchal-Malkajgiri (Dist), Hyderabad - 500078, Telangana, India	6.00 acres	Leased	33 years from April 1, 2019 with automatic renewal of 18 years	R&D
Unit III Bollaram Facility	Telangana, India	Sai Life Sciences Limited	Survey nos. 296/7/3 Bollaram, Jinnarram Mandal, Medak District	0.74 acres	Owned	-	Manufacturing
Unit III Bollaram Facility	Telangana, India	Sai Life Sciences Limited	Survey no 296/7/4 Bollaram, Jinnarram Mandal, Medak District	1.23 acres	Owned	-	Manufacturing
Unit IV Bidar Facility	Karnataka, India	Sai Life Pharma Private Limited.	No. 79A, Kolhar Industrial Area, Nizampur village, Bidar, Karnataka	7,072.00 square metres	Owned	-	Manufacturing
-	Telangana, India	Sai Life Sciences Limited.	Survey No. 310/E and 315 situated at Muthangi village, Patancheru Mandal, Medak District	3.25 acres	Owned	-	Open land
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited.	Survey No.280, Nizampur Village, Kolhar Industrial Area, Bidar, Karnataka	6.32 acres	Owned	-	Green belt area
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited.	Plot No.133-P1, Survey No.12, Kolhar Industrial Area, Nizampur village, Bidar, Karnataka	4,698.00 square metres	Owned	-	Open land
Unit IV Bidar Facility	Karnataka, India	Sai Life Pharma Private Limited.	Plot No.134-P1, Survey No. 9, Kolhar Industrial Area, Nizampur village, Bidar, Karnataka	8,142.00 square metres	Owned	-	Open land
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot No. 79B, situated in Sy. No. 11 & 12 of Nizampur village in Kolhar Industrial Area, Bidar, Karnataka	8,296.00 square metres	Owned	-	Manufacturing
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot No. 80(A), Sy. No. 11&12, Nizampur Village, Kolhar Industrial Area, Bidar, Karnataka (including the structures thereon)	8,044.00 square metres	Owned	-	Manufacturing
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot No 80(B) Sy. NO. 13 and 14 along with structures thereon located at Nizampur village, Kolhar Industrial Area, Bidar,	7,974.00 square metres	Owned	-	Manufacturing

Property	Location	Registered owner	Address	Area (Acres / square feet / square metre)	Leased/Owned	Duration of the Lease	Usage
			Karnataka (including the structures thereon)				
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot 81(A) Sy No. 20 and 21/2/1 of Backchowdi village in Kolhar Industrial Area, Bidar, Karnataka	8,124.50 square metres	Owned	-	Manufacturing
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot No.82, situated in Sy. No. 14 of Nizampur village in Kolhar Industrial Area, Bidar, Karnataka	8,166.17 square metres	Owned	-	Manufacturing
Unit IV Bidar Facility	Karnataka, India	Sai Life Sciences Limited	Plot No. 130A, Survey No.13 in the Kolhar Industrial Area within the limits of Nizampur Village, Hobli Kamthana, Bidar Taluk, Bidar District	2,020.00 square metres	Owned	-	ETP plant
Unit VI Bidar Facility	Karnataka, India	Sai Life Sciences Limited	No.136A, 136B and 137, Survey No.14/1 and 15/3, Kolhar Industrial Area, Nizampur village, Bidar, Karnataka	8,064.00 square metres	Owned	-	Manufacturing
Greater Boston Facility	US	Sai Life Sciences Inc	Southerly side of Arsenal Street in Watertown, Middlesex County, Massachusetts and being shown as Lot 1 on a plan entitled "Plan of Land in Watertown, Massachusetts"	11,422.00 square metres	Leased	120 months from September 27, 2021	Business Development Office, R&D
Manchester Facility	UK	Sai Life Sciences Limited, UK	Basement A, Block 33, Alderly Park, Macclesfield	20,000.00 square metres	Leased	20 years from April 12, 2021	Business Development Office, R&D

Further, our Company has entered into the two agreements of sale, each of which is effective from June 21, 2024, for the purchase of properties situated at (i) Survey No. 281, Chidri Village, Kamthana Hobli, Bidar, Karnataka and (ii) Plot No.78-C, Survey. No. 10 &11, Nizampur Village, Kamthana Hobli, Bidar, Karnataka, and has paid advance consideration of and ₹2.50 million and ₹16.87 million, respectively.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain sector specific and relevant laws and regulations in India, which are applicable to our business and operations. The information in this chapter is based on the current provisions of applicable law in India and has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, etc. that are available in the public domain and are subject to changes, amendments or modifications by subsequent legislative actions, regulatory, administrative, quasi-judicial or judicial decisions. The description of the applicable regulations as given below is only intended to provide general information to the investors is not exhaustive and is neither designed nor intended to be treated as a substitute for professional legal advice.

Laws in relation to our business

The Drugs and Cosmetics Act, 1940 ("Drugs and Cosmetics Act"), Drugs Rules, 1945 ("Drugs Rules")

The Drugs and Cosmetics Act regulates the import, manufacture, distribution, and sale of drugs and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, inter alia, misbranded, adulterated or spurious. The Drugs and Cosmetics Act and the Drugs Rules specify the conditions for grant of a license for the manufacture, sale, import or distribution of any drug or cosmetic. It further mandates that every person holding a license to maintain such records that may be open to inspection by relevant authorities. Any violations of the provisions of the Drugs and Cosmetics Act, including those pertaining to the manufacturing and import of spurious drugs, non-disclosure of specified information and a failure to keep the required documents are punishable with a fine, or imprisonment or both.

The Drugs Rules lay down the functions of the central drugs laboratory established under Section 6 of the Drugs and Cosmetics Act. Under the Drugs Rules, an import license is required for importing drugs. The form and manner of application for import license has also been provided under the Drug Rules.

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act is a legal framework which seeks to control and regulate the 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, import into India and transhipment of narcotic drugs and psychotropic substances, except for medical or scientific purposes. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by either imprisonment or monetary fines or both.

Food Safety and Standards Act, 2006 ("FSSA")

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India ("FSSAI") for laying down 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 FSSAI has been established under section 4 of the FSSA. Section 16 of the FSSA lays down the functions and duties of the FSSAI including duty to provide scientific advice and technical support to the Government of India and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator and liability of manufacturers and sellers, and adjudication by the Food Safety Appellate Tribunal. The FSSA also lays down penalties for various offences (including recall procedures).

Legal Metrology Act, 2009 ("LM Act") and the Legal Metrology (Packaged Commodities) Rules, 2011 ("LM Rules")

The LM 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. The LM Act provides for inter alia standard weights and measures and requirements for verification and stamping of weight and measure. LM Rules inter alia provide that certain commodities shall be packed for sale, distribution and delivery in standard quantities as laid down under the LM Rules. LM Rules also provide for declarations that must be made on packages, where those declarations should appear on the package and the manner in which the declaration is to be made.

The Explosives Act, 1884 ("Explosives Act")

The Explosives Act is a comprehensive law which regulates by licensing the manufacturing, possession, sale, transportation, export and import of explosives. Under the Explosives Act, "explosive" means inter alia any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic effect shall fall under the Explosives Act. The Central Government may, for any part of India, make rules consistent with this act to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use sale, transport, import and export of explosives, or any specified class of explosives. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

The Indian Boilers Act, 1923 ("Boilers Act") and the Indian Boiler Regulations, 1950 ("Boilers Regulations")

The Boilers Act inter alia provides that no owner of a boiler shall use the boiler or permit it to be used unless it has been registered in accordance with the provisions of this Boilers Act. Under the Boilers Act, "boiler" means a pressure vessel in which steam is generated for use external to itself by application of heat which is wholly or partly under pressure when steam is shut off. The Boilers Act also provides for penalties for illegal use of boilers, penalty for breach of rules and other penalties. The Boilers Regulations provide for inter alia, standard requirements with respect to material, construction, safety and testing of boilers.

The Petroleum Act, 1934 ("Petroleum Act") and Petroleum Rules, 2002 ("Petroleum Rules")

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. The Petroleum Act provides that no one shall import, transport, or store any petroleum and produce, refine or blend petroleum save in accordance with the rules made the Petroleum Act. Section 23 provides the penalty for contravention of the Petroleum Act and the Petroleum Rules. The Petroleum Rules lay down rules in relation to inter alia restriction on delivery and dispatch of petroleum, importation of petroleum, and transportation of petroleum.

Prevention of Cruelty to Animals Act, 1960 ("PCA Act") and rules thereunder

The PCA Act envisages preventing infliction of unnecessary pain or suffering on animals and amending the laws relating to the prevention of cruelty to animals. The Act also provides for the constitution of an Animal Welfare Board to take care of the welfare of the animals in general, and also provides that the central government, on the advice of the Animal Welfare Board, may constitute a committee for control and supervision of experiments on animals. This committee is empowered take all such measures as may be necessary to ensure that animals are not subjected to unnecessary pain or suffering before, during or after the performance of experiments on them.

The PCA Act renders legality to the performance of experiments (including experiments involving operations) on animals for the purpose of advancement by new discovery of physiological knowledge or of knowledge which shall be useful for saving or for prolonging life or alleviating suffering or for combating any disease, whether of human beings, animals or plants.

Solvent, Raffinate and Slop (Acquisition, Sale, Storage and Prevention of use in Automobile) Order, 2000 ("SRS Order")

The SRS Order has been notified by the Central Government under the Essential Commodities Act, 1955. The SRS Order restricts the acquisition, storage and sale of solvents, raffinates, slops or their equivalent and other product without a valid licence obtained from the state government or the district magistrate or any other officer authorized by the central or the state government.

Environmental Legislation

Environment Protection Act, 1986 ("EP Act") and 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.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both.

The Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. 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 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 effluent. The Water Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

The Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act provides for the prevention, control and abatement of air pollution. Under the Air Act, the State Government may, after consultation with the state pollution control board declare, any area or areas within the State as air pollution control area or areas for the purposes of the Air Act. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. Further, under section 22 of the Air Act, no person operating any industrial plant in any air pollution control area shall discharge or permit or cause to be discharged the emission of any air pollutant in excess of the standards laid down by the state pollution control board. The Air Act prescribes specific amounts of fine and terms of imprisonment for various contraventions.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules regulate the management, treatment, storage and disposal of hazardous waste. Under the Hazardous Waste Rules, "hazardous waste" *inter alia* means any waste which by reason of characteristics such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances. Every occupier and operator of a facility generating hazardous waste must obtain authorization from the relevant state pollution control board. Further, the occupier, importer or exporter is liable for damages caused to the environment or third party resulting from the improper handling and management and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

The Manufacturing, Storage & Import of Hazardous Chemicals Rules, 1989 ("MSIHC Rules")

The MSIHC Rules apply to an industrial activity in which a hazardous chemical, as stipulated in Schedule I of the MSIHC Rules, is involved, or the isolated storage of a hazardous chemical listed in Schedule II of the MSIHC Rules. The MSIHC Rules stipulate that an occupier in control of an industrial activity has to take adequate steps to prevent major accidents and to limit their consequences to persons and the environment. Further, the occupier is under an obligation to notify the concerned authority on the occurrence of a major accident on the site or pipeline within 48 hours.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules have been made under the EP Act and is applicable 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 a provision within the premises for a safe, 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 every occupier or operator handling bio-medical waste 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. Section 15 of the EP Act provides that whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued thereunder, would be punishable with fine or imprisonment or both.

The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996 ("Chemical Accident Rules")

The Chemical Accidents Rules formulated pursuant to the provisions of the EP Act, 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.

Foreign investment and trade related laws

The Foreign Trade (Development and Regulation) Act, 1992 ("FTA") and the rules framed thereunder

The FTA is the main legislation concerning foreign trade in India. The FTA, read along with the Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. It authorizes the government to formulate as well as announce the foreign trade policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade.

The Foreign Exchange Management Act, 1999 ("FEMA") and regulations framed thereunder

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Consolidated FDI Policy. In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment under the Consolidated FDI Policy and FEMA has now been entrusted to the concerned administrative ministries/departments.

The FEMA Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except for things done or omitted to be done before such supersession. The total holding by any individual NRI, on a repatriation basis, shall not exceed five percent of the total paid-up equity capital on a fully diluted basis or shall not exceed five percent 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 percent may be raised to 24 percent if a special resolution to that effect is passed by the general body of the Indian company.

Under the current Consolidated FDI Policy, foreign direct investment in companies engaged in the pharmaceutical sector is permitted up to 100% of the paid-up share capital in greenfield projects and up to 74% of the paid-up share capital in brownfield projects under the automatic route, subject to compliance with certain prescribed pricing guidelines and reporting requirements. Investment in brownfield projects beyond 74% is permissible through government approval route.

Foreign investment in brownfield pharmaceuticals, irrespective of entry route, is further subject to the following conditions: (i) the production level of NLEM drugs and/ or consumables and their supply to the domestic market at the time of induction of FDI, 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 FDI; (iii) the administrative ministry must be provided complete information pertaining to the transfer of technology, if any, along with induction of FDI into the investee company; and (iv) the Department of Pharmaceuticals, Ministry of Health and Family Welfare, Government of India 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 in a brownfield pharmaceutical entity is not allowed except in special circumstances with the Government approval.

With effect from April 1, 2020, the aggregate limit for investment by FPIs shall be the sectoral caps applicable to Indian companies as laid out in paragraph 3(b) of Schedule I of FEMA Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants provided that such aggregate limit may be decreased by the Indian company concerned to a lower threshold limit of 24% or 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. Further, the Indian company which has decreased its aggregate limit to 24% or 49% or 74%, may increase such aggregate limit to 49% or 74% or the sectoral cap or statutory ceiling respectively as deemed fit, with the approval of its board of directors and its shareholders through a resolution and a special resolution, respectively: However, once the aggregate limit has been increased to a higher threshold, the Indian company cannot reduce the same to a lower threshold. The aggregate limit with respect to an Indian company in a sector where FDI is prohibited shall be 24%. Further, in accordance with Press Note No. 4 (2020 Series), dated April 17, 2020, issued by the DPIIT, all investments 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 of India, as prescribed in the Consolidated FDI Policy.

The RBI, with an aim to operationalise a new overseas investment regime, has introduced the Foreign Exchange Management (Overseas Investment) Rules, 2022 ("OI Rules") and the Foreign Exchange Management (Overseas Investment) Regulations, 2022 ("**OI Regulations**"), vide Notification No. G.S.R. 646(E) and Notification No. FEMA 400/2022-RB dated August 22, 2022 respectively. Further, the Foreign Exchange Management (Overseas Investment) Directions, 2022 ("OI Directions") were introduced to be read with the OI Rules and the OI Regulations. The new regime simplifies the framework to cover wider economic activity and thereby, significantly reducing the need for specific approvals. Investment may be made by an Indian entity only in a foreign entity engaged in activities permissible under the law in force in India and the host jurisdiction. Any manner of Overseas Direct Investment ("ODI") by an Indian entity shall be made as prescribed in the OI Rules, namely: (i) subscription as part of MoA or purchase of equity capital, (ii) acquisition through bidding or tender procedure, (iii) acquisition of equity capital by way of rights issue or allotment of bonus shares, (iv) capitalisation of any amount due from the foreign entity subject to applicable conditions, (v) swap of securities, and (vi) merger, demerger, amalgamation or any scheme of arrangement.

Export Oriented Unit Scheme

The Ministry of Commerce, Government of India introduced the Export Oriented Unit ("**EOU**") Scheme on December 31, 1980. The EOU Scheme is governed by chapter six of the Foreign Trade Policy, 2023. An EOU can import from bonded warehouses in the domestic tariff area which are outside SEZ and EOU. They are typically required to fulfil certain criteria such as achievement of positive net foreign exchange earnings cumulatively in a five-year block period, starting from commencement of production. EOUs 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, repair, remaking, reconditioning and re-engineering. EOUs are allowed to import goods, including capital goods required for approved activities, free of cost or on loan/ lease from clients, on a self-certification basis for export production.

Tax laws

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:

- Income-tax Act 1961, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;
- Central Goods and Services Tax Act, 2017, the Central Goods and Services Tax Rules, 2017, and various state-wise legislations made thereunder;

- The Integrated Goods and Services Tax Act, 2017, and rules thereof;
- Professional tax-related state-wise legislations;
- Indian Stamp Act, 1899 and various state- wise legislations made thereunder; and,
- Customs Act, 1962.

Labour law legislations

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of our business activities:

- Factories Act;
- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;
- The Maternity Benefit Act, 1961;
- The Minimum Wages Act, 1948;
- The Payment of Bonus Act, 1965;
- The Payment of Gratuity Act, 1972;
- The Payment of Wages Act, 1936;
- The Right of Persons with Disabilities Act, 2016;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Equal Remuneration Act, 1976;
- The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Labour Welfare Fund Act 1936;
- Industrial Disputes Act, 1947
- Trade Unions Act, 1926;
- Employee's Compensation Act, 1923;
- Apprenticeship Act 1961;
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; and
- The National and Festival Holidays Act, 1974.

In order to rationalize and reform labour laws in India, the Government of India has notified four labour codes which are yet to come into force as on the date of this Draft Red Herring Prospectus, namely, (i) the Code on Wages, 2019, which received the assent of the President of India on August 8, 2019, and will repeal the Payment of Bonus Act, 1965, Minimum Wages Act, 1948, Equal Remuneration Act, 1976, and the Payment of Wages Act, 1936, (ii) the Industrial Relations Code, 2020, which received the assent of the President of India on September 28, 2020, and will repeal certain enactments including the Trade Unions Act, 1926, and Industrial Disputes Act, 1947, (iii) the Code on Social Security, 2020, which received the assent of the President of India on September 28, 2020, and will repeal certain enactments including the Employee's Compensation Act, 1923, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and Maternity Benefit Act, 1961, and the Payment of Gratuity Act, 1972, and (iv) the Occupational Safety, Health and Working Conditions Code, 2020, which received the assent of the President of India on September 28, 2020 and will repeal certain enactments including the Factories Act, and the Contract Labour (Regulation and Abolition) Act, 1970.

Certain portions of the Code on Wages, 2019 and Code on Social Security, 2020, have come into force upon notification dated December 18, 2020 and May 3, 2023, respectively, by the Ministry of Labour and Employment. The remaining provisions of these codes shall become effective as and when notified by the Government of India.

State specific Shops and Commercial Establishments Acts as applicable

Under the provisions of local shops and establishments legislations applicable in the states in India where our establishments are set up and business operations exists, such establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments, including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of records, maintenance of shops and establishments and other rights and obligations of the employers and employees. These shops and establishments' acts, and the relevant rules framed thereunder, also prescribe penalties in the form of monetary fine or imprisonment for violation of provisions, as well as procedures for appeal in relation to such contravention of the provisions.

Other Indian laws

In addition to the above, we are also governed by the provisions of the Companies Act and rules framed thereunder, the Contract Act, 1872, and other applicable laws and regulation imposed by the Central Government and State Governments and other authorities for our day to day business.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as '*Sai Dru Syn Laboratories Limited*' at Hyderabad, Telangana (erstwhile Andhra Pradesh) as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 25, 1999, issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company received the certificate of commencement of business from Registrar of Companies, Andhra Pradesh at Hyderabad on February 17, 1999. Subsequently, the name of our Company was changed from '*Sai Dru Syn Laboratories Limited*' to '*Sai Life Sciences Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on December 11, 2003 and a fresh certificate of incorporation dated December 16, 2003 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Thereafter, the name of the Company was changed from '*Sai Life Sciences Limited*' to '*Sai Advantium Pharma Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on August 16, 2006 and a fresh certificate of incorporation dated August 30, 2006 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, the name of our Company was changed from '*Sai Advantium Pharma Limited*' to its present name, '*Sai Life Sciences Limited*' pursuant to a Shareholders' resolution in an extraordinary general meeting held on April 20, 2012 and a fresh certificate of incorporation dated May 28, 2012 consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad.

Changes in the registered office of our Company

The details of changes in the registered office of our Company since the date of its incorporation are as follows:

Date of change	Details of the change in address of our registered office	Reason for change
June 1, 2004	The registered office of our Company was changed from 601, Siri Enclave, Sri Nagar Colony, Hyderabad 500 073 Andhra Pradesh to Flat No. 2, Madhu Kunj, House No. 17, Road No. 2, Banjara Hills, Hyderabad 500 034 Andhra Pradesh	For administrative convenience
February 7, 2006	The registered office of our Company was changed from Flat No. 2, Madhu Kunj, House No. 17, Road No. 2, Banjara Hills, Hyderabad 500 034 Andhra Pradesh to Luxor Park, 8-2-120/86/9/B, Opp: LV Prasad Eye Institute, Road No.2, Banjara Hills, Hyderabad 500 033 Andhra Pradesh	For administrative convenience
August 19, 2016	The registered office of our Company was changed from Luxor Park, 8-2-120/86/9/B, Opp: LV Prasad Eye Institute, Road No.2, Banjara Hills, Hyderabad 500 033 Andhra Pradesh to Office # L4-01 & 02, SLN Terminus, Survey #133, Gachibowli Miyapur Road, Gachibowli, Rangareddi, Hyderabad 500 032 Telangana, India	For administrative convenience
April 30, 2021	The registered office of our Company was changed from Office L4-01 & 02, SLN Terminus, Survey 133, Gachibowli Miyapur Road, Gachibowli, Rangareddi, Hyderabad 500 032 Telangana, India, to Plot No. DS-7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal - Malkajgiri District 500 078 Telangana, India,	For administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *"To carry on the business of manufacturers of and dealers in chemicals, fine chemicals synthetics, finished drugs and pharmaceuticals, fine pharmaceuticals, bulk drugs and cosmetics and to establish laboratory facilities for the company's own or other's use.*

2. *To carry on the business as chemical engineers, analytical chemists, importers, exporters, manufacturers of and dealers in heavy chemicals, acids, alkalis, chemical compounds and chemicals of all kinds (solid, liquid and gaseous), drugs, medicines, pharmaceuticals, antibiotics and pharmaceutical, medical, sizing, bleaching, photographical and other preparations and articles.*

3. *To carry on and to acquire or invent any secret formula, know-how manufacturing process and or design of plant, equipment for the manufacture of chemicals, drugs, pharmaceuticals, food products and install, erect the plant and run the plant for the Company's use."*

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 last 10 years:

Date of Shareholders' resolution/ Date of amendment	Details of the amendment
January 18, 2016	Clause III(C) of the Memorandum of Association was deleted and its contents were inserted in Clause III(B) of the Memorandum of Association to align the objects clause of the Memorandum of Association with the applicable format under the Companies Act, 2013– *"4. To manufacture, formulate, process, import, export, purchase, market, sell, barter in, carry on business and otherwise deal in, all kinds of pesticides, insecticides, acaricides, weedicides, herbicides, fungicides, nematocides, rodenticides, biological insecticides, bactericides, molluscicides, insect hormones, plant growth chemicals and nutrients, anit-feed-ants, anti-bactirial, repellent, attractants, chemosteril-nts.* *5. To manufacture, formulate, process import, export, market sell barter in, carry on business as whole salers and retailers and otherwise deal in all kinds of fertilizers, micronutrients, inhibitors and initiators, hormones, antibiotics, vaccines, animal health chemicals and medicines, feed products and supplements, petroleum products and by-products including but not restricted to phenols and phenolic derivatives alcohol phosphorous and phosphorous compounds, naphthols, benzene, xylene, toluene and derivatives, gasses such as carbon monoxide, phosgene, oxygen, nitrogen, hydrogen and ammonia and products used in the manufacture and / or formulations of pesticides, insecticides, acaricides, weedicides, herbicides, fungicides, nematocides, bactericides etc. as described above.* *6. To manufacture, formulate process, import, export, market, sell, barter in, carry on business or o therwise deal in all kinds of aromatic chemicals, flavours and flavouring substances, essentials oils, whether n natural or synthetic, perfumes, perfumery intermediates and perfumery raw materials, essences, lemongrass oils, Ionones, in particular alpha, beta and pseudo Ionones, coumarin and its derivatives.* *7. To carry on the business as manufacturers, formulators, processors, producers, growers, fermenters, distillers, refiners, makers, importers, exporters, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessioners of an dealers in basic and generic drugs. Anti-Tuberculosis and Anti-Infectious Agents, Timans, Agrochemicals, Biological chemicals and all inorganic and Organic chemicals and compounds of any kind, character and property which has been developed or known, or which may be invented or developed in future as a result of any research or studies made in any part of the World.* *8. To carry on the business or chemists druggists, importers exporters, manufacturers and dealers in carbide, calcium and other pharmaceutical medicinal, industrial and other preparations and articles and compounds, proprietary articles of all kinds, chemical, photographical, surgical and scientific apparatus and materials.* *12. To acquire, buy, sell, hire, let on hire or otherwise deal in any movable or immovable property which the Company may think fit favourable by way of investment with a view or resell or otherwise* *28. To carry on business of consultancy for establishing in the field of management, finance, marketing and sales.* *29. To establish training centres for scientific, technical and management courses to develop skill and efficiency in the industry."*
August 18, 2020	Pursuant to the Scheme of Arrangement dated August 18, 2020, Clause V of the Memorandum of Association was amended to reflect the change in authorised share capital of our Company from ₹ 214,000,000 divided into 21,400,000 equity shares of ₹ 10 each to ₹ 214,000,000 divided into 20,300,000 equity shares of face value of ₹ 10 each, aggregating to ₹ 203,000,000, 600,000 optionally convertible preference shares of face value of ₹ 10 each, aggregating to 6,000,000, and 500,000 compulsory convertible preference shares of face value of ₹ 10 each, aggregating to ₹ 5,000,000.
June 11, 2024	Clause V of the Memorandum of Association was amended to reflect the sub-division of the authorised Equity Share capital from ₹ 203,000,000 equity shares divided into 20,300,000 equity shares of face value of ₹10 each to 203,000,000 equity shares of face value of ₹ 1 each.
	Clause V of the Memorandum of Association was amended to reflect the change in authorised share capital of our Company from ₹ 214,000,000 divided into 203,000,000 equity shares of face value of ₹ 1 each, 600,000 optionally convertible preference shares of face value of ₹ 10 each and 500,000 compulsory convertible preference shares of ₹ 10 each, to ₹ 250,000,000 divided into 239,000,000 equity shares of face value of ₹ 1 each, aggregating to ₹ 239,000,000, 600,000 optionally convertible preference shares of face value of ₹ 10 each, aggregating to ₹ 6,000,000 and 500,000 compulsory convertible preference shares of face value of ₹ 10 each, aggregating to ₹ 5,000,000.

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:

Financial Year	Particulars
1999	Incorporation of our Company
2002	Inauguration of our R&D labs in ICICI Knowledge Park, Hyderabad.

Financial Year	Particulars
2004	Strategic acquisitions of Prasad Drugs Limited, the current Unit III Bolarum Facility
2006	Investment by Advantium LLC in our Company to set-up discovery services to expand our Company's business.
	Acquired Merrifield Pharma Private Limited
2007	Acquisition of shares of our Company held by Advantium LLC by Sequoia Capital India Investments III
2008	Investment by MPM Investment Mauritius in our Company
2014	Acquisition of shares of our Company held by MPM Investment Mauritius and Sequoia Capital India Investment III by Tata Capital Healthcare Fund 1
2016	Acquisition of shares of our Company held by MPM Investment Mauritius by HBM Private Equity India and subscription to shares of our Company
2019	Opened biology facility in Watertown (Greater Boston, MA) U.S.A
2020	Launched Sai Nxt, an initiative aiming to transform the organization into a new generation CDMO
	Addition of cellular analysis platforms at our discovery biology facility in Cambridge, Massachusetts, USA
2021	Opened new 75,000 sq. ft. discovery biology facility at our integrated R&D campus at Unit II Hyderabad Facility
2022	Inauguration of the first set of new discovery chemistry labs as part of the new integrated discovery block at Unit II Hyderabad Facility
	Announced the launch of BIOVIA Electronic Lab Notebook application
2023	Inauguration of high potency API manufacturing block at Unit IV Bidar Facility.
2024	Initiated API developability & formulations (D&F) capabilities at Unit II Hyderabad

Awards, accreditations and recognitions

Financial Year	Particulars
2020	Awarded the '*Risk Mitigation Award*' by Institute of Supply Chain Management Pvt. Ltd. (ISCM) at the 2^{nd} IPLA, 2020.
	Awarded the '*Best SRM Initiative of the Year Award*' by Institute of Supply Chain Management Pvt. Ltd at the 2^{nd} IPLA, 2020.
	Unit IV Bidar facility was awarded the *'21^{st} National Award for Excellence in Energy Management 2020*' for recognition as an '*Energy Efficient Unit*' by the Confederation of Indian Industry at the National Award for Excellence in Energy Management, 2020
	Awarded the '*Golden Peacock National Quality Award, 2020*'.
	Awarded a '*Certificate of Excellence*' for securing a '*5-Star Rating for Excellence in EHS Practices*' by the Confederation of Indian Industry at the CII-SR-EHS Excellence Awards for the year 2020
2021	Awarded the '*Excellence in Practice Award for Change Management- A Paradigm Shift in Effective Learning*' by the Association for Talent Development.
	Awarded gold in '*Best Advance in Learning Technology Implementation*' by the Brandon Hall Group at the HCM Excellence Awards, 2021
	Awarded the '*Excellence in Practice Award for Learning Technologies- GURUKUL*' by the Association for Talent Development.
	Awarded '*The Resilient Procurement Strategy'* by the Institute of Supply Change Management at the India Procurement Leadership Awards – 2021
	Unit IV Bidar facility was awarded the '*22^{nd} National Award for Excellence in Energy Management 2021*' for recognition as an '*Energy Efficient Unit*' by the Confederation of Indian Industry at the National Award for Excellence in Energy Management, 2021
	Awarded the '*Golden Peacock National Training Award, 2021*' by the Institute of Directors (IOD) at the Golden Peacock Awards.
2022	Sai Life Science R&T Centre Hyderabad received the '*LEED GOLD Certification*' for fulfilment of the requirements of the LEED Green Building Rating System certification by the U.S. Green Building Council & Green Business Certification Inc. in 2022.
	Unit IV Bidar Facility was recognized as the '*Energy Efficient Unit*' and was awarded the '*23^{rd} National Award for Excellence in Energy Management 2022*' for recognition as an '*Energy Efficient Unit*' by the Confederation of Indian Industry at the National Award for Excellence in Energy Management, 2022.
2023	Awarded gold in '*Best Advance in Content Authoring Technology*' by the Brandon Hall Group at the Technology Excellence Awards, 2023.

Financial Year	Particulars
	Unit IV Bidar Facility was awarded the '*24th National Award for Excellence in Energy Management 2023*' for recognition as an '*Energy Efficient Unit*' by the Confederation of Indian Industry at the National Award for Excellence in Energy Management, 2023.
	Awarded the '*Excellence in Digitalizing L&D*' by the Indian Society of Training and Development, Hyderabad Chapter at the L&D Award Ceremony, 2023

Significant financial and strategic partnerships

As on the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partnerships.

Time/cost overrun in setting up projects

As on the date of this Draft Red Herring Prospectus, other than in the ordinary course of business, there have been no time and cost overruns in respect of our business operations.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

As on the date of this Draft Red Herring Prospectus, our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. Further, the tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/facility creation, location of plants

For details of key services offered by our Company, entry into new geographies or exit from existing markets or capacity/facility creation, location of plants, see "*Our Business*" beginning on page 156.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Except as stated below, our Company has not made any material acquisitions or divestments of any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in the last 10 years.

Scheme of Arrangement entered into by and amongst our Company, Sai Quest Syn Private Limited and their respective shareholders and creditors (the "Scheme of Arrangement")

Sai Quest Syn Private Limited filed a scheme of arrangement under Section 230 and 232 of the Companies Act, 2013 before the National Company Law Tribunal, Hyderabad. Under this scheme, the trading and business consultancy undertaking of Sai Quest Syn Private Limited, which includes *inter alia* all assets, liabilities, borrowings, statutory licenses, approvals, staff, workmen and employees, were merged into our Company.

Kanumuri Ranga Raju and Kanumuri Mytreyi who are Promoters of our Company are directors and indirectly hold equity shares of Sai Quest Syn Private Limited, our Corporate Promoter. For details, see "*Our Promoters and Promoter Group – Our Promoters*", on page 204.

Sai Quest Syn Private Limited is incorporated, *inter alia*, to carry on the business of manufacturing of and dealing in, chemicals, fine chemicals, synthetics, finished drugs and pharmaceuticals, fine pharmaceuticals, bulk drugs, and cosmetics. The objective of the Scheme of Arrangement was broadly for the ease of doing businesses by both the companies by merger of the demerged business undertakings of Sai Quest Syn Private Limited into our Company. As per the valuation report dated April 29, 2019 commissioned by Sai Quest Syn Private Limited, the fair market value of the trading undertaking of Sai Quest Syn Private Limited as on December 31, 2018 was ₹ 2,381.23 million.

As consideration for the aforementioned transfer and vesting of the demerged business undertaking of Sai Quest Syn Private Limited into our Company, our Company allotted the following:

(i) 51 fully paid up equity shares of ₹10 each for every 100 equity shares of ₹ 10 each held on the record date by the equity shareholders in Sai Quest Syn Private Limited;
(ii) 24 partly paid up compulsory convertible preference shares of ₹10 each for every 100 equity shares of ₹ 10 each held on the record date by the equity shareholders in Sai Quest Syn Private Limited; and
(iii) 30 partly paid up optionally convertible preference shares of ₹10 each, for every 100 equity shares of ₹10 each held on the record date by the equity shareholders in Sai Quest Syn Private Limited.

No shares were issued by our Company for fractional shares resulting in the share swap.

The National Company Law Tribunal, Hyderabad approved the Scheme of Arrangement pursuant to an order dated August 18, 2020 ("**NCLT Order**"). Our Board took on record the NCLT Order and the resultant shares, to be paid as consideration, were issued through the Board resolution dated September 17, 2020. The scheme of arrangement came into effect from the appointed date i.e., May 1, 2019, and became operational from September 26, 2020, being the date on which a certified copy of order was filed with the RoC.

Our holding company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Our Subsidiaries, joint ventures and associates

As on the date of this Draft Red Herring Prospectus, our Company has three Subsidiaries. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any associate or joint venture. The details of our Subsidiaries have been provided below.

1. Sai Life Sciences, Inc. ("Sai Life US")

Corporate information

Sai Life US was incorporated as a private company under the laws of State of Nevada. Its registered office is situated at 112 North Curry Street, Carson City, Nevada 89703, USA.

It is engaged in the business of research and discovery services.

Capital structure and shareholding pattern

Sai Life US is authorised to issue two classes of common stock up to (i) 250,000 shares of common stock of USD 1 each; and (ii) 1,500 shares of common stock having no par value. The issued, subscribed and paid-up capital is 184,762 shares of common stock of USD 1 each.

The shareholding pattern of Sai Life US is as follows:

S. No.	Name of shareholder	Number of shares of common stock of par value of USD 1 each	Percentage of issued and paid-up capital
1	Sai Life Sciences Limited	1,84,762	100%
Total		**1,84,762**	**100.00%**

Accumulated Profits or Losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sai Life US that are not accounted for by our Company in the Restated Consolidated Financial Information.

2. Sai Life Sciences, GmbH

Corporate information

Sai Life Sciences, GmbH was incorporated as a private company under the laws of Germany. Its registered office is situated at Adelstrabe 34, DE 90403, Nuremberg, Germany

It is engaged in the business of contract research and manufacturing activities for customers engaged in pharmaceutical and biotechnology industries

Capital structure and shareholding pattern

The authorised share capital of Sai Life Sciences, GmbH is Euro 25,000 divided into 25,000 shares of Euro 1 each. The issued, subscribed and paid-up capital is Euro 25,000 divided into 25,000 shares of Euro 1 each.

The shareholding pattern of Sai Life Sciences, GmbH is as follows:

S. No.	Name of shareholder	Number of shares of face value of Euro 1 each	Percentage of issued and paid-up share capital
1	Sai Life Sciences Limited	25,000	100%
Total		**25,000**	**100%**

Accumulated Profits or Losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sai Life Sciences, GmbH that are not accounted for by our Company in the Restated Consolidated Financial Information.

3. Sai Life Pharma Private Limited ("**Sai Life India**")

Corporate information

Sai Life India was incorporated on October 25, 2019 as a private company under the Companies Act, 2013 and bears the corporate identification number U24290TG2019PTC136370. Its registered office is situated at Plot No. DS-7, IKP Knowledge Park, Turkapally Village, Shameerpet Mandal, Medchal-Malkajgiri District -500 078, Telangana, India.

It is engaged in the business of manufacturing and dealing in the finished drugs and pharmaceuticals, fine pharmaceuticals, bulk drugs, and to establish laboratories for its use or others use.

Capital structure and shareholding pattern

The authorised share capital of Sai Life India is ₹ 200,000,000 divided into 20,000,000 equity shares of ₹ 10 each. The issued, subscribed and paid-up capital is ₹ 115,100,000 divided into 11,510,000 equity shares of ₹ 10 each.

The shareholding pattern of Sai Life India is as follows:

S. No.	Name of shareholder	Number of equity shares of face value of ₹ 10 each	Percentage of issued and paid-up share capital
1	Sai Life Sciences Limited	11,509,990	99.99%
2	Kanumuri Ranga Raju (as a nominee of Sai Life Sciences Limited)	10	0.01%
Total		**11,510,000**	**100.00%**

Accumulated Profits or Losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sai Life India that are not accounted for by our Company in the Restated Consolidated Financial Information.

Common pursuits

Our Subsidiaries are in the similar line of business as our Company, however, as a result of such common pursuit, there is no conflict of interest between our Company and our respective Subsidiaries, as their business is synergistic with the business of our Company.

Business interest between our Company and our Subsidiaries

For details of the related party transactions, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

Shareholders' agreements and other agreements

Shareholders' Agreement dated March 27, 2019 entered into by and among our Company, TPG, Krishnam Raju Kanumuri, Kanumuri Ranga Raju, Gokaraju Lakshmi Tanuja, Continental Wines Private Limited, Kanumuri Sudha, Kanumuri Mytreyi, Sai Quest Syn Private Limited, Gokaraju Subba Raju, Bharathi Srivari, Raju Penmasta, Aruna Penmasta, Ravindra Varma Nandyala, Anita Rudraraju Nandyala, N. Anjelica, N. Anisha, K. V. Satyanarayana Raju, K. Anuradha, G Ramakrishnam Raju, Kanuri Family Trust and HBM Private Equity India, and parties deemed to be parties to the shareholders' agreement pursuant to the respective deed of adherence, namely Marigold Partners, Tulip Partners, Sunflower Partners, and Lily Partners, as amended by Shareholder's Amendment Agreement dated July 4, 2024 ("Shareholders' Agreement").

Our Company, TPG, Krishnam Raju Kanumuri and certain shareholders of the Company have entered into the Shareholders' Agreement *inter-alia* recording their rights and obligations in relation to the operation and management of our Company and other matters thereto. Certain rights that the parties are entitled to under the Shareholders' Agreement *inter alia* include (i) right of TPG and its affiliates to nominate two directors based on minimum shareholding thresholds set out therein and our Promoter, Krishnam Raju Kanumuri, to nominate three directors, to the board of our Company. (ii) affirmative voting rights with certain investors, (iii) rights in relation to restrictions on transfer of Equity Shares, including right of first offer, tag-along rights; (iv) pre-emptive rights; and (v) information and inspection rights.

In view of the Offer, the Parties have entered into the Shareholders' Amendment Agreement and have amended certain provisions of the Shareholders' Agreement and provided their consents on certain matters in relation to the Offer.

The Shareholders' Agreement shall automatically terminate in respect to each Party, in its entirety, on the date of listing of the Equity Shares pursuant to the Offer, subject to the survival of certain provisions related to confidentiality, representations and warranties, miscellaneous and dispute resolution.

The Shareholders' Amendment Agreement will terminate on the earlier of the date (a) the board of directors of our Company and the Selling Shareholders jointly decide not to undertake the Offer, or (b) where the Offer is unsuccessful due to any reason, or (c) of 12 months from the date of receipt of the final observations from SEBI, in connection with the Offer.

Other Agreements

Deed of Gift dated July 10, 2024 entered into by and among TPG, HBM Private Equity India, Kanumuri Ranga Raju, Kanumuri Mytreyi, Krishnam Raju Kanumuri, Sai Quest Syn Private Limited and certain other parties ("Gift Deed")

Pursuant to the Gift Deed, certain Shareholders of our Company, namely, TPG Asia VII SF Pte Ltd, HBM Private Equity India, Aruna Penmasta, D. Ramaa, Damodharan S, Dinesh Patel Fred Cohen, G. Ramakrishnam Raju, Gregory R Ludedtke, Hitesh Patel, Jagdish Viswanath Dore, K. Anuradha, K.V. Satyanarayana Raju, Madhu Kilaru, Marcellus Johannes Velterop, Anita Rudraraju Nandyala, N. Ravindra Varma, N. Anisha (jointly held with Anita Rudraraju Nandyala), N. Anjelica (jointly held with Anita Rudraraju Nandyala), N. Anisha (jointly held with N. Ravindra Varma), N. Anjelica (jointly held with N. Ravindra Varma), Narottam Puri Goswami, P Trivikrama Prasad, R. Padma, Raju Penmasta, Rudra Prasad Singh, S V K Murali, Bharathi Srivari, Sameer Ashok Paigankar and Sameer Ashok Paigankar (jointly with Sheela Paigankar) (collectively, "**Donors**") have agreed to gift some of their shares to our Promoters and certain members of Promoter Group, namely, Gokaraju Lakshmi Tanuja, Gokaraju Subba Raju, Kanumuri Sudha and Continental Wines Private Limited (collectively, "**Beneficiaries**"). The Donors shall, subject to the completion of the conditions precedent which includes (a) finalisation of the terms of the updated draft red herring prospectus to the satisfaction of each of the Donors, and (b) each of the Donor identifying the effective date to undertake the formalities in relation to the gift of the gift shares, irrevocably gift, all their legal and beneficial rights, titles and interests, and powers and privileges, in their respective portion of the gift shares aggregating to 2,046,090 Equity Shares of face value of ₹ 1 each to and in favour of the Beneficiaries on a date to be identified by the Donors, which shall be on or prior to the date of the filing of the updated draft red herring prospectus with the SEBI.

Amendment Agreement dated July 10, 2024 entered into by and among our Company, TPG, Krishnam Raju Kanumuri, Marigold Partners, Tulip Partners, Sunflower Partners, and Lily Partners ("Preference Shares Amendment Agreement")

The parties to the Preference Shares Amendment Agreement had entered into an agreement dated November 27, 2023 ("**2023 Agreement**"), in order to set out the conversion terms of the CCPS and OCPS issued by our Company to the shareholders of Sai Quest Syn Private Limited pursuant to the NCLT order dated August 18, 2020. Pursuant to the Preference Shares Amendment Agreement, the parties have amended the conversion terms of the outstanding CCPS. Under the Preference Shares Amendment Agreement, each outstanding CCPS will be converted into 10 fully paid-up equity share of ₹1 each prior to the filing of the updated draft red herring prospectus with SEBI.

Details of guarantees given to third parties by our Promoters who are participating in the Offer for Sale

Our Promoter Selling Shareholder has not given any guarantees, on behalf of our Company, to third parties that are outstanding as of the date of this Draft Red Herring Prospectus.

Other agreements

Our Directors, Key Managerial Personnel or Senior Management Personnel, Directors, Promoters, or any other employee have not entered into any agreement, either by themselves or on behalf of any other person, with any shareholder or any third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Other material arrangements

Except as disclosed in this Draft Red Herring Prospectus, there are no other agreements, arrangements, clauses, covenants which are material, and which are required to be disclosed. Further, there are no other clauses or covenants which are material, adverse or pre-judicial to the interest of the minority/public shareholders or the non-disclosure of which may have bearing on the investment decision.

OUR MANAGEMENT

In terms of the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors including two Executive Directors, one Non-Executive Director and three Independent Directors (including one woman Independent Director).

Our Board

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Sr. no	Name, designation, address, occupation, current term, period of directorship, DIN, date of birth and age	Other directorships
1.	**Kanumuri Ranga Raju** **Designation**: Chairman and Whole time Director **Address**: 8-2-120/112/A/4, Road No. 9, Jubilee Hills, Hyderabad 500 033, Telangana, India **Occupation**: Business **Current term**: Five years with effect from August 1, 2023 till July 31, 2028 **Period of Directorship**: Director since January 25, 1999 **DIN**: 00043186 **Date of Birth**: January 29, 1951 **Age:** 73 years	**Indian Companies** 1. Pattancheru Envirotech Ltd; 2. Ranmyt Trading Private Limited; 3. Sai Life Pharma Private Limited; and 4. Sai Quest Syn Private Limited **Foreign Companies** Nil
2.	**Krishnam Raju Kanumuri** **Designation**: Managing Director and Chief Executive Officer **Address**: Plot 984, Road 50, Ambedkar University, Jubilee Hills, Shaikpet. Hyderabad 500 033, Telangana, India **Occupation**: Business **Current term**: Three years with effect from September 1, 2022 till August 31, 2025 and liable to retire by rotation **Period of Directorship**: Director since May 1, 2004 **DIN**: 00064614 **Date of Birth**: February 10, 1971 **Age**: 53 years	**Indian Companies:** 1. Sai Life Pharma Private Limited; and 2. South India Research Institute Private Limited **Foreign Companies:** Nil
3.	**Mitesh Daga** **Designation**: Non-Executive Director (Nominee of TPG) **Address**: A-2401, 25 South, Yadav Patil Lane, Prabhadevi, Mumbai City 400 025, Maharashtra, India **Occupation**: Service **Current term**: Re-appointed with effect from September 7, 2023 and liable to retire by rotation. **Period of Directorship:** Director since July 30, 2018 **DIN**: 08189217 **Date of Birth**: August 24, 1979 **Age:** 44 years	**Indian Companies:** 1. Sai Life Pharma Private Limited **Foreign Companies:** Nil

Sr. no	Name, designation, address, occupation, current term, period of directorship, DIN, date of birth and age	Other directorships
4.	**Rajagopal Srirama Tatta** **Designation**: Independent Director **Address**: 963 Barcarmil Way, Naples Florida 34110, U.S.A **Occupation**: Retired **Current term**: Five years with effect from March 26, 2020 **Period of Directorship:** Director since January 10, 2007 **DIN**: 00988348 **Date of Birth**: May 17, 1951 **Age:** 73	**Indian Companies:** Nil **Foreign Companies:** Nil
5.	**Ramesh Ganesh Iyer** **Designation**: Independent Director **Address**: D-1502 Milano Tower Lodha Fiorenza, Western Express Highway, Near Hub mall, Goregaon East, Mumbai 400 063, Maharashtra, India **Occupation**: Service **Current term**: Five years with effect from May 21, 2024 **Period of Directorship:** Director since May 21, 2024 **DIN**: 00220759 **Date of Birth**: June 4 ,1958 **Age:** 66	**Indian Companies:** 1. Finance Industry Development Council; 2. Mahindra Agri Solutions Limited; 3. Mahindra First Choice Wheels Limited; 4. Mahindra Susten Private Limited; 5. NBS International Limited; 6. NOCIL Limited; and 7. TVS Capital Funds Private Limited **Foreign Companies:** Nil
6.	**Suchita Sharma** **Designation**: Independent Director **Address**: B-3 3258, Near B3 Market, Vasant Kunj, South West Delhi, Delhi 110 070, India **Occupation**: Service **Current term**: Five years with effect from June 10, 2024 **Period of Directorship:** Director since June 10, 2024 **DIN**: 10656028 **Date of Birth**: June 13, 1963 **Age:** 61	**Indian Companies:** Nil **Foreign Companies:** Nil

Brief Biographies of Directors

Kanumuri Ranga Raju is the Chairman and Whole time Director of our Board. He holds a bachelor's degree in pharmacy from University of Mysore, a bachelor's and a master's degree of science in pharmacy from Massachusetts College of Pharmacy, Boston. He was a director on the board of Chemrich Fine Chemicals Private Limited. He has more than 25 years of experience in the pharmaceutical industry and he has been associated with our Company since January 25, 1999.

Krishnam Raju Kanumuri is the Managing Director and Chief Executive Officer of our Board. He was awarded a degree of master of business administration from the University of Kansas. He also attended the 1995 summer school in financial markets from the London School of Economics and Political Science. He was a director on the board of Laxmi Acqua Culture Private Limited. He has more than 13 years of experience in business management and he has been associated with our Company since May 1, 2004.

Mitesh Daga is a Non-Executive Director (Nominee of TPG) of our Board. He holds a degree of bachelor of technology in chemical engineering from Indian Institute of Technology, Delhi and is also a holder of chartered financial analyst charter issued by the CFA Institute. He is a partner at TPG Capital Asia. Previously, he was associated with Advent India PE Advisors Private Limited as its assistant director, Zephyr Peacock Management India Private Limited as its associate, and CapitalOne Services (India) Private Limited as its manager. He has over 17 years of experience in private equity.

Rajagopal Srirama Tatta is the Independent Director of our Board. He holds a master's degree in business administration from Bowling Green State University, Ohio. He is a member of the Institute of Chartered Accountants of India. He is also a fellow of the New Jersey Society of Certified Public Accountants and a member of American Institute of Certified Public Accountants. He is a member of the Honor Society of Phi Kappa Phi. He was previously associated with PricewaterhouseCoopers LLP as a partner. He was registered as a certified public accountant by the Board of Accountancy, Division of Consumer Affairs, New Jersey Office of the Attorney General, State of New Jersey. He has over 29 years of experience in taxation.

Ramesh Ganesh Iyer is the Independent Director of our Board. He holds a degree of doctor of letters from ITM Vocational University, Vadodara. He has previously worked with Finance Industry Development Council. He has also been associated with Mahindra and Mahindra Financial Services Limited, Mahindra Manulife Investment Management Private Limited, and MFC Auto Parts Private Limited as their director. He has over 23 years of experience in financial services industry.

Suchita Sharma is the Independent Director of our Board. She holds a bachelors' degree of arts in economic honors from University of Delhi and passed the final exam for master's degree in commerce from Chaudhary Charan Singh University, Meerut. She is also a fellow member of the Institute of Chartered Accountants of India. She is a certified sustainability professional based on global reporting initiative universal standards 2021. She was previously associated with Price Waterhouse Chartered Accountants LLP as its partner. She was also associated with B B S R & Associates LLP in the capacity of its director. She has over 22 years of experience in audit and finance.

Relationship between our Directors, Key Managerial Personnel and Senior Management Personnel

Except for Kanumuri Ranga Raju and Krishnam Raju Kanumuri who are related to each other as father and son, respectively, none of our Directors, Key Managerial Personnel and Senior Management Personnel 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 of the stock exchange during their directorship in such companies.

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 they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

None of our Directors have been declared as Wilful Defaulters nor as Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or a Fraudulent Borrower issued by the RBI.

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.

None of our directors have any conflict of interest with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to our business and operations of our Company.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Directors were selected as a Director or Senior Management Personnel

Except for Mitesh Daga, who has been nominated as a Non-Executive Director on the Board by TPG, one of the Investor Selling Shareholders, pursuant to the SHA, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors are appointed on the Board. For further details in relation to the SHA, see "*History and Certain Corporate Matters - Shareholders' agreements and other agreements*" on page 188.

Terms of appointment of our Executive Directors:

1. Kanumuri Ranga Raju

Pursuant to resolutions passed by our Board and Shareholders dated August 4, 2023, and September 7, 2023, respectively, Kanumuri Ranga Raju has been re-appointed as the Chairman and Whole time Director of our Company for a period of five years, with effect from August 1, 2023.

The remuneration of Kanumuri Ranga Raju was approved by our Board and the Shareholders, in their meetings held on May 21, 2024, and June 14, 2024, respectively. His remuneration is as follows:

Particulars	Annual amount (in ₹ million)
Remuneration*	
Annual base salary	21.50
Annual payout	6.57
Perquisites	
1. Club fees: fees of clubs, subject to a maximum of three clubs 2. Personal accident insurance/group life insurance 3. Contribution to provident fund and pension fund under the relevant act 4. Gratuity payable in accordance with the provisions of the Payment of Gratuity Act 5. Use of car with driver for business and personal use 6. Telephone/ internet facility shall be provided at the residence 7. Encashment of leave at the end of tenure – as per the rules of the Company 8. Medical for self and family	

* *In the event of absence or inadequacy of profits in any financial year during the remainder of his tenure as the Whole Time Director, remuneration payable to him shall be payable in accordance with the terms and conditions of section II of part II of Schedule V read with Section 197 of the Companies Act, 2013.*

2. Krishnam Raju Kanumuri

Pursuant to resolutions passed by our Board and Shareholders dated August 17, 2022, and September 19, 2022, respectively, Krishnam Raju Kanumuri has been re-appointed as the Managing Director and Chief Executive Officer of our Company for a period of three years, with effect September 1, 2022.

The remuneration of Krishnam Raju Kanumuri was approved by our Board and the Shareholders, in their meetings held on May 21, 2024, and June 14, 2024, respectively. His remuneration is as follows:

Particulars	Annual amount (in ₹ million)
Remuneration	
Annual base salary	40.00
Commission	2.5% of net profits *
Perquisites	
1. Club fees: fees of clubs, subject to a maximum of three clubs 2. Personal accident insurance/group life insurance 3. Contribution to provident fund and pension fund under the relevant act 4. Gratuity payable in accordance with the provisions of the Payment of Gratuity Act 5. Use of car with driver for business and personal use 6. Telephone/ internet facility shall be provided at the residence 7. Encashment of leave at the end of tenure – as per the rules of the Company 8. Medical for self and family	

* *In the event of absence or inadequacy of profits in any financial year during the remainder of his tenure as the Managing Director, the remuneration payable to him shall be payable in accordance with the terms and conditions of section II of part II of schedule V read with Section 197 of the Companies Act, 2013.*

Remuneration to our Directors:

The remuneration paid to our Directors in Financial Year 2024 is as follows:

Remuneration to our Executive Directors

(*in ₹ million*)

Sr. No.	Name of Executive Director	Commission/bonus	Salary	Total Remuneration
1.	Kanumuri Ranga Raju	6.57	19.21	25.77
2.	Krishnam Raju Kanumuri	2.50	30.40	32.90

Remuneration to Non-Executive Director and Independent Directors

Pursuant to the resolution passed by our Board on June 11, 2024, our Independent Directors are entitled to receive remuneration by way of the following sitting fees.

Type of Director	Sitting fees per board meeting	Sitting fees per committee meeting
Indian director	₹ 100,000.00	₹25,000.00
NRI director	$ 1,250.00	$ 350.00

Except as disclosed below, our Company has not paid any remuneration to the Independent Directors in Financial Year 2024:

(*in ₹ million*)

Sr. No.	Name of Director	Sitting fees	Commission
1.	Rajagopal Srirama Tatta	0.23	3.63
2.	Ramesh Ganesh Iyer*	N.A	N.A
3.	Suchita Sharma*	N.A	N.A

* *Appointed in Financial Year 2025.*

Our Company has not paid any remuneration to Mitesh Daga, Non-Executive Director of our Company, in Financial Year 2024.

Remuneration paid or payable to our Directors by our Subsidiaries or associates

None of our Directors have been paid any remuneration by our Subsidiaries, including contingent or deferred compensation accrued for Financial Year 2024.

As on the date of this Draft Red Herring Prospectus, our Company has no associate company.

Contingent or deferred compensation paid to Directors by our Company

There is no contingent or deferred compensation accrued for Financial Year 2024 and payable to any of our Directors at a later date.

Bonus or profit-sharing plan of our Directors

Other than Krishnam Raju Kanumuri, our Managing Director and Chief Executive Officer, who receives a commission as a percentage of net profits of our Company, none of our Directors is entitled to any bonus or profit-sharing plans of our Company. For details of commission payable to our Managing Director and Chief Executive Officer, see "- *Terms of appointment of our Executive Directors*" on page 192.

Service Contracts with Directors

None of our Directors have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of their employment.

Shareholding of our Directors in our Company

Our Directors are not required to hold any qualification shares under our Articles of Association.

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares in our Company:

Name of the Director	Number of Equity Shares of face value ₹ 1 held	Percentage of the pre-Offer paid up Equity Share capital on a fully diluted basis* (%)
Kanumuri Ranga Raju	165,000	0.09%
Krishnam Raju Kanumuri	2,950,000	1.54%
Rajagopal Srirama Tatta	250,000	0.13%

* *The number of Equity Shares held and percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of the Preference Shares Amendment Agreement; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

Shareholding of Directors in our Subsidiaries

Except for Kanumuri Ranga Raju who holds 10 equity shares in Sai Life Pharma Private Limited as nominee of our Company as on the date of this Draft Red Herring Prospectus, none of our Directors hold any shares in the Subsidiaries of our Company.

Interest of Directors

Our Directors, may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, to the extent of other remuneration and reimbursement of expenses, if any, payable to them by our Company under our Articles of Association and their respective appointment letters, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. For further details, see " – *Remuneration to our Directors*", on page 193.

Our Directors may also be deemed to be interested to the extent of Equity Shares (together with dividends and other distributions in respect of such Equity Shares), held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors, members or trustees or held by their relatives. Some of our Directors may also be deemed to be interested to the extent of stock options granted or Equity Shares to be allotted pursuant to the exercise of options granted to them under ESOP Scheme. For details, see "*Capital Structure – Employee Stock Options Schemes of our Company*" on page 93.

Our Directors may also be deemed to be interested in the contracts / agreements /arrangements entered into or to be entered into by our Company in the normal course of business with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners. For further details, see "*Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

Our Directors may also be deemed to be interested to the extent of any directorships or shares held by them in our Subsidiaries and to the extent of any dividend payable to them and other distributions in respect of such shareholding.

Our Company had entered into a lease agreement dated February 19, 2020 with Soma Khadi Gramodyog Sangha, Gournalli District, Bidar ("**Society**"), represented by Kanumuri Ranga Raju as its president for lease of an industrial land bearing Plot No. 130A in Survey No. 13 in Kolhar Industrial Area, within the limits of Nizampur, Hobli: Kamthana, Taluka and District: Bidar ("**Property**"). Kanumuri Ranga Raju's interest in being a member of the Society ceased from April 1, 2022. Our Company entered into a fresh lease agreement dated April 1, 2022 with the Society, represented by Nadimpalli Kalivara Prasad Raju as its president. Subsequently, our Company purchased the Property from the Society pursuant to the sale deed dated January 8, 2024. For further details, see "*Financial Information – Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266. Except Kanumuri Ranga Raju being interested in the Property leased from Society till March 31, 2022, none of our other Directors have any interest in any property acquired or proposed to be acquired by our Company.

Except for Kanumuri Ranga Raju, Chairman and Whole time Director, and Krishnam Raju Kanumuri, Managing Director and Chief Executive Director, none of our Directors have any interest in the promotion or formation of our Company.

Except as stated in "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 40. Related party disclosures*" beginning on page 266, no amount or benefit has been paid or given within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors.

None of our Directors have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

None of our Directors have availed loans from our Company.

Changes in the Board in the last three years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below:

Name	Date of Appointment/ Cessation	Reason
Suchita Sharma	June 10, 2024	Appointed as the Independent Director
Puneet Bhatia	June 7, 2024	Resigned as the non-executive director due to other commitments
Manjusha Ambadas Joshi	June 6, 2024	Resigned as the independent director due to personal reasons
Raju Penmasta	June 6, 2024	Resigned as the non-executive director due to personal reasons
Ramesh Ganesh Iyer	May 21, 2024	Appointed as the Independent Director
Manjusha Ambadas Joshi	June 9, 2023	Appointed as the independent director
Nandita Gujjar	March 1, 2023	Resigned as the independent director due to personal reasons

Note: This does not include changes pursuant to re-appointment of directors.

Borrowing Powers of our Board of Directors

In terms of the Articles of Association and pursuant to a resolution passed by our Board in its meeting dated September 29, 2021, our Board is authorized to borrow a sum or sums of money, either secured or unsecured and on such terms and conditions as the Board may deem fit, which together with the monies already borrowed by our Company (apart from temporary loans obtained by our Company in the ordinary course of business) in excess of our Company's aggregate paid-up capital, free reserves shall not exceed a sum of ₹8,610 million.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable provisions of the SEBI Listing Regulations, and the Companies Act, in respect of corporate governance including constitution of our Board and committees thereof.

As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors including two Executive Directors, one Non-Executive Director and three Independent Directors (including one woman Independent Director).

In compliance with Section 152 of the Companies Act, not less than two-thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Committees of the Board

Details of the committees are set forth below. In addition to the committees of our Board described below, our Board of Directors may, from time to time, constitute committees for various functions.

Audit Committee

The members of the Audit Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Rajagopal Srirama Tatta	Chairman
2.	Mitesh Daga	Member
3.	Suchita Sharma	Member
4.	Ramesh Ganesh Iyer	Member

The Audit Committee was last constituted with effect from June 11, 2024, by way of resolution passed by our Board on June 11, 2024. The scope and functions of the Audit Committee is in accordance with the Section 177 of the Companies Act and SEBI Listing Regulations. The terms of reference of the Audit Committee include the following:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommendation to the Board for appointment, replacement, reappointment, remuneration and terms of appointment of 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 clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

    (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. 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, the performance of statutory and internal auditors, adequacy of the internal control systems;

13. 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;

14. Discussion with internal auditors on any significant findings and follow up thereon;

15. 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;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. 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;

18. To review the functioning of the whistle blower mechanism;

19. Approval of appointment of the chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

20. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

21. Considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

22. Identification of list of key performance indicators and related disclosures in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, for the purpose of the Company's proposed initial public offering; and

23. Carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and performing such other functions as may be necessary or appropriate for the performance of its duties.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Rajagopal Srirama Tatta	Chairman
2.	Ramesh Ganesh Iyer	Member
3.	Mitesh Daga	Member
4.	Suchita Sharma	Member

The Nomination and Remuneration Committee was last re-constituted with effect from June 11, 2024, by way of resolution passed by our Board on June 11, 2024. The scope and functions of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act and SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. formulation of 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. The Nomination and Remuneration Committee, while formulating the Remuneration policy, should ensure that:

   (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   (iii) 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. formulation of criteria for evaluation of performance of independent directors and the Board;

3. 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 candidates, the Committee may:

   (i) use the services of an external agencies, if required;

   (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   (iii) consider the time commitments of the candidates.

4. devising a policy on Board diversity;

5. 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 their appointment and removal and carrying out evaluation of every director's performance (including independent director);

6. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

7. recommend 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 scheme(s) of the Company and performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;

9. carrying out any other functions as may be required / mandated and/or delegated by the Board as per the provisions of the Companies Act, SEBI Listing Regulations, uniform listing agreements and/or any other applicable laws or by any regulatory authority and 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:

Sr. No.	Name of Director	Committee Designation
1.	Ramesh Ganesh Iyer	Chairman
2.	Krishnam Raju Kanumuri	Member
3.	Mitesh Daga	Member
4.	Suchita Sharma	Member

The Stakeholders Relationship Committee was constituted with effect from June 11, 2024, by way of resolution passed by our Board on June 11, 2024. The scope and functions of the Stakeholders Relationship Committee is in accordance with the Section 178 of the Companies Act and SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee include the following:

1. Resolving 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. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of 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 any other functions required to be carried out by the Stakeholders' Relationship Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time."

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sr. No.	Name of Director	Committee Designation
1.	Rajagopal Srirama Tatta	Chairman
2.	Ramesh Ganesh Iyer	Member
3.	Krishnam Raju Kanumuri	Member
4.	Mitesh Daga	Member
5.	Suchita Sharma	Member

The Corporate Social Responsibility Committee was last re-constituted with effect from June 11, 2024, by way of resolution passed by our Board on June 11, 2024. The scope and functions of the Corporate Social Responsibility Committee is in accordance with the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee include the following:

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, as amended;

2. to identify corporate social responsibility policy partners and corporate social responsibility policy programmes;

3. recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

4. To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:

   a. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;

   b. the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;

   c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

   d. monitoring and reporting mechanism for the projects or programmes; and

   e. details of need and impact assessment, if any, for the projects undertaken by the company.

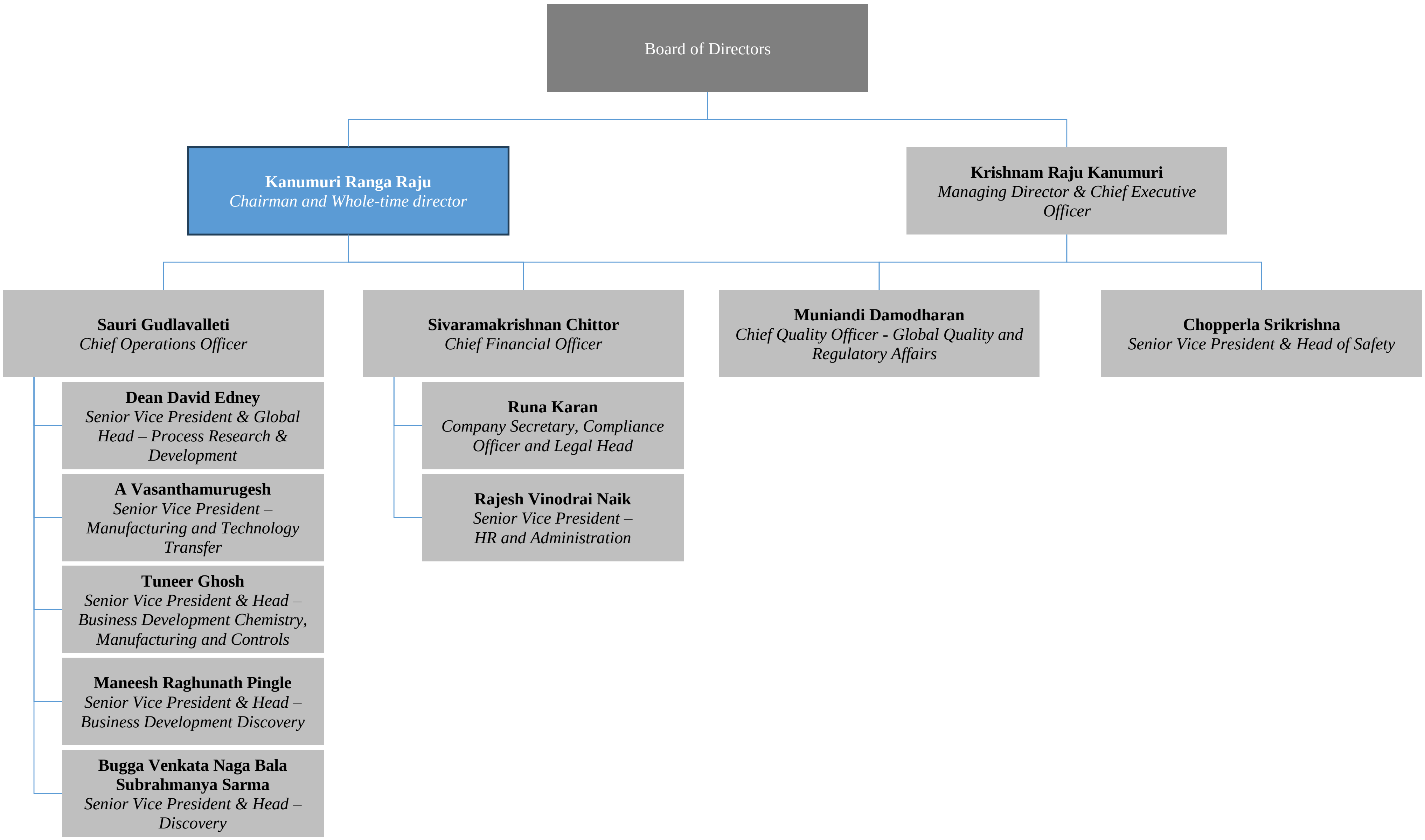
   Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

5. to delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

6. monitor the corporate social responsibility policy of the Company and its implementation from time to time; and

7. any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Management Organisation Chart



Key Managerial Personnel of our Company

In addition to Kanumuri Ranga Raju and Krishnam Raju Kanumuri, whose details are provided in "- *Brief biographies of Directors*" on page 191, the details of our other Key Managerial Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

Sivaramakrishnan Chittor is the Chief Financial Officer of our Company. He joined our Company on January 21, 2009 as the senior vice president & head of finance. He is responsible for strategic planning, operational oversight and financial management of our Company. He is a member of the Institute of Chartered Accountants of India. He has passed the final examination held by the Institute of Company Secretaries of India. He was previously associated with CGI Information Systems & Management Consultants, Inc. (formerly known as IMRglobal Corporation) as its administrative director and controller. He was last associated with Zavata as its senior vice president – shared services. He was paid a remuneration of ₹ 43.70 million by our Company in Financial Year 2024.

Runa Karan is the Company Secretary, Compliance Officer and Legal Head of our Company. She joined our Company on April 10, 2008 as the company secretary. She is responsible for functional areas of company secretarial and other aspects pertaining to legal compliances at our Company. She holds a bachelor's degree in commerce (special) from St. Francis College for Women, Osmania University and a law degree from Faculty of Law, Osmania University, Hyderabad. She is member of the Institute of Company Secretaries of India. She was previously associated with Avon Organics Limited as its company secretary. She was paid a remuneration of ₹ 3.65 million by our Company in Financial Year 2024.

Senior Management Personnel of our Company

In addition to Sivaramakrishnan Chittor, the Chief Financial Officer of our Company and Runa Karan, the Company Secretary, Compliance Officer and Legal Head of our Company, whose details are provided above, the details of our other Senior Management Personnel in terms of the SEBI ICDR Regulations, as of the date of this Draft Red Herring Prospectus are set forth below:

Sauri Gudlavalleti is the Chief Operations Officer of our Company. He joined our Company on January 17, 2022. He is responsible for overseeing the operations of chemistry, manufacturing and controls and discovery business units of our Company. He holds a bachelor's degree of technology in mechanical engineering from India Institute of Technology, Madras and a master's degree of science in mechanical engineering from Massachusetts Institute of Technology, Cambridge. He also holds post graduate diploma in management for executive from the Indian Institute of Management, Ahmedabad. He was previously associated with McKinsey & Company as its associate principal. He was paid a remuneration of ₹ 46.89 million by our Company in the Financial Year 2024.

Muniandi Damodharan is the Chief Quality Officer - Global Quality and Regulatory Affairs of our Company. He joined our Company on June 3, 2014. He is responsible for planning, administration and monitoring of consistent readiness of all quality management, regulatory requirements and quality improvement processes. He holds a master's degree of science in chemistry and a doctor's degree of philosophy in chemistry from the Jiwaji University, Gwalior. He was previously associated with Max India Limited as its senior officer in R&D, and Ranbaxy Laboratories Limited as its regional quality head of API division and Nicholas Piramal India Limited as its general manager of quality control. He was also associated with Shasun Chemicals and Drugs Ltd as its deputy general manager in the quality control department, with J.K. Pharmachem Limited as its assistant manager of quality assurance department and with GlaxoSmithKline Pharmaceuticals Limited as its assistant manager of quality assurance. He was paid a remuneration of ₹ 7.35 million by our Company and ₹14.83 million by Sai Life Pharma Private Limited, one of our Subsidiaries, in Financial Year 2024.

Chopperla Srikrishna is the Senior Vice President and Head of Safety of our Company. He joined our Company on September 8, 2011. He is responsible for establishment and implementation of comprehensive health and safety systems and procedures, and other safety related aspects at our Company. He holds a bachelor's degree of science from S.D.S Autonomous College of Arts & Applied Sciences, Shreeramnagar, a master's degree of technology in environmental management from Jawaharlal Nehru Technological University, Hyderabad, a postgraduate diploma in environmental education and management from University of Hyderabad and a diploma in industrial safety from Annamalai University. He was previously associated with Matrix Laboratories Limited as its general manager of environment, health and safety department. He was paid a remuneration of ₹ 10.56 million by our Company in Financial Year 2024.

Dean David Edney is the Senior Vice President & Global Head – Process Research &Development. He joined our Company on January 6, 2020. He is responsible for overseeing the global process R&D services of our Company. He holds a degree of doctor of philosophy from University of Nottingham, England. He was previously associated with GlaxoSmithKline Services Unlimited and The Wellcome Foundation Limited in the capacity of development chemist. He was paid a remuneration of ₹18.79 million by our Company in Financial Year 2024.

A Vasanthamurugesh is the Senior Vice President – Manufacturing and Technology Transfer of our Company. He joined our Company on August 7, 2014. He is responsible for determining the strategic direction of the Company's manufacturing facilities. He holds a bachelor's degree of chemical engineering from Faculty of Engineering and Technology, Annamalai University. He was previously associated with OmniActive Health Technologies Limited as its vice president of manufacturing, Piramal Healthcare Limited as its general manager – technical services, Jubilant Organosys Limited as its senior manager –

process engineering and Malladi Project Management Centre Private Limited as its assistant manager. He was paid a remuneration of ₹ 13.39 million by our Company in Financial Year 2024.

Rajesh Vinodrai Naik is the Senior Vice President – HR and Administration of our Company. He joined our Company on June 19, 2017. He is responsible for functional areas of talent management and human resources and other aspects pertaining to statutory labour compliances of our Company. He holds a master's degree of science in organic chemistry and doctor's degree of philosophy in science from the University of Bombay. He also holds diplomas in marketing management and business management from S. P. Mandali's Prin. L. N. Welingkar Institute of Management Development & Research. He was previously associated with Cadila Pharmaceuticals Limited as its joint president of its chemical strategic business unit department. He was paid a remuneration of ₹ 12.52 million by our Company in Financial Year 2024.

Tuneer Ghosh is the Senior Vice President & Head –Business Development Chemistry, Manufacturing and Controls of our Company. He joined our Company on January 19, 2015. He is responsible for leading and managing business development to achieve revenue targets, enhance market presence, mentor team, and ensure effective operations for long-term growth of CMC division of our Company. He holds a bachelor's degree in chemical engineering from Jadavpur University. He was previously associated with Aurobindo Pharma Limited as its general manager of operations, ecologic Technologies (P) Ltd as its business partner- technology commercialization, CHEMAF S.P.R.L as its chief operating officer, ACE Limited FZE as its chief operating officer, Dr. Reddy's Laboratories Ltd as its director, Shalina Laboratories Pvt Ltd as its director of technical department, and Amal Products Limited as its manager of production. He was paid a remuneration of ₹43.77 million by our Company in Financial Year 2024.

Maneesh Raghunath Pingle is the Senior Vice President & Head – Business Development Discovery of our Company. He joined our Company on February 27, 2019. He is responsible for leading and managing business development to achieve revenue targets, enhance market presence, mentor team, and ensure effective operations for long-term growth of discovery division of our Company. He holds a doctor's degree of philosophy from the Purdue University, Indiana. He was previously associated with Weill Cornell Medical College as its assistant professor of microbiology and immunology. He was paid a remuneration of ₹ 36.19 million by our Company in Financial Year 2024.

Bugga Venkata Naga Bala Subrahmanya Sarma is the Senior Vice President & Head – Discovery of our Company. He joined our Company on November 16, 2002. He is responsible for providing scientific leadership and strategic direction for efficient project execution and business growth withing the discovery division of our Company. He holds a master's degree of science in chemistry from University of Hyderabad, Hyderabad and doctor's degree of philosophy in science from Osmania University, Hyderabad. He was a visiting fellow of the chemical biology program, Steacie Institute of Molecular Sciences, National Research Council Canada. He was also associated with gvk bioSciences Private Limited. He was paid a remuneration of ₹ 17.89 million by our Company in Financial Year 2024.

Status of Key Managerial

Personnel and Senior Management Personnel

All our Key Managerial Personnel and Senior Management Personnel are permanent employees of our Company.

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

Except as disclosed below and in "– *Shareholding of our Directors in our Company*" on page 194, none of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

Name of the KMP/SMP	Number of Equity Shares of face value ₹ 1 held	Percentage of the pre-Offer paid up Equity Share capital on a fully diluted basis* (%)
Sivaramakrishnan Chittor	1,915,000	1.25%
Runa Karan	50,000	0.03%
Muniandi Damodharan	350,000	0.25%
Chopperla Srikrishna	100,000	0.07%
Sauri Gudlavalleti	200,000	0.10%
Rajesh Vinodrai Naik	125,000	0.08%
Bugga Venkata Naga Bala Subrahmanya Sarma	250,000	0.31%

* *The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by a Shareholder and such number of Equity Shares which will result upon conversion of CCPS and exercise of vested options under the ESOS Schemes, as applicable.*

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management Personnel

Except as disclosed in "- *Bonus or Profit-Sharing Plans of our Directors*" and the performance based discretionary incentives paid to our Key Managerial Personnel and Senior Management Personnel, none of our Key Managerial Personnel or Senior Management Personnel is entitled to any bonus or profit-sharing plans of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; (ii) the Equity Shares and employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding and (iii) as provided in "– *Interest of Directors*" on page 194. For details, see "- *Shareholding of the Key Managerial Personnel and Senior Management Personnel*" on page 202.

Other confirmations

None of our Key Managerial Personnel and Senior Management Personnel have any conflict of interest with the suppliers of raw materials, third party service providers or lessors of immovable properties, crucial to our business and operations of our Company.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation accrued for Financial Year 2024 and payable to the Key Managerial Personnel and Senior Management Personnel at a later date.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management Personnel have been appointed as a Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in Key Managerial Personnel and Senior Management Personnel

There have been no changes in the Key Managerial Personnel and Senior Management Personnel in the three years preceding the date of this Draft Red Herring Prospectus.

Payment or benefit to Key Managerial Personnel and Senior Management Personnel

No non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management Personnel, within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders. For details of the related party transactions, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

Employee Stock Options

For details of the ESOP Schemes, see "*Capital Structure – Employee Stock Options Schemes of our Company*" on page 98.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1. Kanumuri Ranga Raju;

2. Krishnam Raju Kanumuri;

3. Kanumuri Mytreyi;

4. Sai Quest Syn Private Limited;

5. Marigold Partners;

6. Sunflower Partners;

7. Tulip Partners; and

8. Lily Partners.

As on the date of this Draft Red Herring Prospectus, the details in relation to the number of Equity Shares held by the Promoters of our Company and the respective percentage of their pre-Offer Equity Share capital are as follows:

Sr. No.	Name of the Promoter	Number of Equity Shares of face value of ₹ 1 each*	Pre-Offer Equity Share capital on a fully diluted basis (%)**
1.	Marigold Partners	21,606,800	11.25
2.	Sunflower Partners	15,184,270	7.91
3.	Sai Quest Syn Private Limited	10,762,480	5.61
4.	Tulip Partners	9,043,920	4.71
5.	Lily Partners	6,723,690	3.50
6.	Krishnam Raju Kanumuri	2,950,000	1.54
7.	Kanumuri Ranga Raju	165,000	0.09
8.	Kanumuri Mytreyi	60,000	0.03
Total		**66,496,160**	**34.64**

* *The number of Equity Shares held has been calculated assuming conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement. For details of the CCPS, see "Capital Structure" beginning on page 66.*

.

** *The percentage of the Equity Share capital on a fully diluted basis has been calculated assuming (i) conversion of 480,000 CCPS of face value of ₹10 each which shall be converted to 4,800,000 Equity Shares of face value of ₹1 each pursuant to the terms of Preference Shares Amendment Agreement which will be completed prior to the filing of the updated Draft Red Herring Prospectus with SEBI in accordance with Regulation 5(2) of the SEBI ICDR Regulations; and (ii) exercise of 3,277,280 vested options under ESOP Scheme, as applicable.*

For details of the build-up of the Promoters' shareholding in our Company, see "*Capital Structure*" on page 66.

Details of our Individual Promoters

1. Kanumuri Ranga Raju

Kanumuri Ranga Raju, aged 73 years, is one of the Promoters and is also the Chairman and Whole-time Director of our Company. For further details in relation to his date of birth, personal address, educational qualifications, experience in the business, positions/ posts held in the past and other directorships, special achievements, business and other financial activities, see "*Our Management – Our Board*" and "*Our Management – Brief Biographies of Directors*" on pages 190 and 191, respectively.

The permanent account number of Kanumuri Ranga Raju is ACRPK6274F.

2. Krishnam Raju Kanumuri

Krishnam Raju Kanumuri, aged 53 years, is one of the Promoters and is also the Managing Director and Chief Executive Officer of our Company. For further details in relation to his date of birth, personal address, educational qualifications, experience in the business, positions/ posts held in the past and other directorships, special achievements, business and other financial activities, see "*Our Management – Our Board*" and "*Our Management – Brief Biographies of Directors*" on pages 190 and 191, respectively.

The permanent account number of Krishnam Raju Kanumuri is AEWPK2898A.

3. Kanumuri Mytreyi

Kanumuri Mytreyi, aged 70 years (Date of birth: July 4, 1954), is one of the Promoters of our Company. She resides at 8-2-120/112/A/4, Road No. 9, Jubilee Hills, Hyderabad 500 034, Telangana, India. She has no formal education. She has been associated with our Company since incorporation. She is also a director on the board of certain companies *inter alia* including Sai Quest Syn Private Limited, Swathi Aqua Culture Private Limited, Mythreyi Aqua Culture Private Limited and Ranmyt Trading Private Limited.

The permanent account number of Kanumuri Mytreyi is AFYPK2725B.

Our Company confirms that the permanent account numbers, bank account numbers, passport numbers, Aadhaar card numbers and driving license numbers of each of our Individual Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus with them. Kanumuri Mytreyi does not hold a valid driving license as on the date of this Draft Red Herring Prospectus.

Details of our Corporate Promoter

4. Sai Quest Syn Private Limited

Corporate information

Sai Quest Syn Private Limited, was incorporated as a private limited company under the Companies Act, 1956 pursuant to certificate of incorporation dated April 21, 1988, issued by Registrar of Companies, Andhra Pradesh at Hyderabad. The name of our Corporate Promoter was changed from '*Sai Quest Syn Private Limited*' to '*Sai Quest Syn Limited*' and a fresh certificate of incorporation dated February 13, 2004 consequent to conversion to a public limited company was issued by Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, the name of our Corporate Promoter was changed from '*Sai Quest Syn Limited*' to '*Sai Quest Syn Private Limited*' and a fresh certificate of incorporation dated March 2, 2011 consequent to conversion to a private limited company was issued by Registrar of Companies, Andhra Pradesh at Hyderabad. Its registration number is 029265 and corporate identity number is U24110TG1998PTC029265. As on the date of this Draft Red Herring Prospectus, our Corporate Promoter is primarily engaged in the business of manufacturing and dealing in chemicals, fine chemicals, synthetics, finished drugs and pharmaceuticals, fine pharmaceuticals, bulk drugs and cosmetics. There have been no changes to the primary business activities undertaken by our Corporate Promoter.

The registered office of Sai Quest Syn Private Limited is located at L.N's Harmony Park, Flat No. 203, Plot No. 73 8-2-334/1/1, Road No. 5, Banjara Hills, Hyderabad 500 034, Telangana, India.

Shareholding pattern

As on the date of this Draft Red Herring Prospectus, the authorised share capital of Sai Quest Syn Private Limited is ₹21,000,000 divided into 2,100,000 equity shares of face value ₹10 each. The issued and paid-up share capital of Sai Quest Syn Private Limited, as on the date of this Draft Red Herring Prospectus is ₹20,000,000 divided into 2,000,000 equity shares of face value ₹10 each.

The following table sets forth details of the shareholding pattern of Sai Quest Syn Private Limited, as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name of shareholder	Number of equity shares of face value ₹10 held	Percentage (%) of shareholding
1.	Marigold Partners*	700,560	35.03
2.	Sunflower Partners#	699,440	34.97
3.	Tulip Partners*	300,240	15.01
4.	Lily Partners#	299,760	14.99
Total		**2,000,000**	**100.00**

* *Held by Kanumuri Mytreyi in her representative capacity as a partner.*
\# *Held by Kanumuri Ranga Raju in his representative capacity as a partner.*

Board of directors

The board of directors of Sai Quest Syn Private Limited as on the date of this Draft Red Herring Prospectus are as under:

1. Kanumuri Ranga Raju;

2. Kanumuri Mytreyi; and

3. Sudha Kanumuri.

Change in control

There has been no change in the control of Sai Quest Syn Private Limited in the last three years preceding the date of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number(s), the company registration number and the address of the registrar of companies where Sai Quest Syn Private Limited is registered shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus with them.

Details of the Other Promoters

5. Marigold Partners

Corporate information

Marigold Partners is a partnership firm registered under the Indian Partnership Act, 1932, constituted through a deed of partnership dated July 30, 2020 and reconstituted pursuant to a deed of reconstituted partnership dated March 31, 2021, with its principal place of business at 8-2-120/112/A/4, Shaikpet Village, Jubilee Hills, Hyderabad, 500 033, Telangana, India.

Marigold Partners is authorised to engage in the business of *inter alia* (i) providing all kinds of consultancy, advisory and other services including entrepreneurial business advisory services, to pre-start-up, post start-up and matured businesses, and all commercial and non-profit organisations, individuals and India and abroad, in all areas of management and professional services, including but not limited to in the fields of pharmaceutical, drugs and chemicals, operations and incubation services; and (ii) investing in, and acquiring and holding, selling, buying or otherwise dealing in immovable property of all kinds as well as shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or foreign governments.

Details of partners

The partners and their proportion of contribution towards the capital of Marigold Partners as on the date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of partner	Amount of capital balance (in ₹)	Percentage (%) of net profits and losses
1.	Kanumuri Ranga Raju (in his representative capacity as trustee of the Marigold Family Trust)	43,253,941	99.80
2.	Kanumuri Mytreyi	43,341	0.10
3.	Ranmyt Trading Private Limited	10,000	0.10
Total		**43,307,282**	**100.00**

Kanumuri Ranga Raju is the managing partner of Marigold Partners.

Change in control

There has been no change in the control of Marigold Partners in the last three years preceding the date of this Draft Red Herring Prospectus.

<u>Marigold Family Trust</u>

Marigold Family Trust is a private, irrevocable, discretionary trust under the Indian Trusts Act, 1882, and was settled pursuant to a trust deed dated March 20, 2020 by Kanumuri Mytreyi as the settlor. The principal place of business of the Marigold Family Trust is situated at 207, New Bake House 12, MCC Lane, Kala Ghoda, Fort, Mumbai 400 001, Maharashtra, India.

Trustee

Our Individual Promoters, Kanumuri Mytreyi and Kanumuri Ranga Raju are the trustees of the Marigold Family Trust.

Beneficiaries of the Marigold Family Trust

The beneficiaries of the Marigold Family Trust include Kanumuri Ranga Raju, Krishna Kanumuri, son of Kanumuri Mytreyi, Sudha Kanumuri, daughter-in-law of Kanumuri Mytreyi, Akhil Kanumuri, grandson of Kanumuri Mytreyi, Varun Kanumuri, grandson of Kanumuri Mytreyi, Anika Kanumuri, granddaughter of Kanumuri Mytreyi, lineal descendants of Akhil Kanumuri, lineal descendants of Varun Kanumuri and lineal descendants of Anika Kanumuri. In terms of the trust deed, initial trustees i.e. Kanumuri Mytreyi and Kanumuri Ranga Raju may not be removed by the beneficiaries.

Objects and function

The objects of the Marigold Family Trust are to:

(a) meet any financial or non-financial needs/ purpose of existing beneficiaries of the trust including maintenance, travel, health, education, insurance including payment of insurance premium, marriage, housing and to maintain the standard of living;

(b) ensure seamless dynastic holding of the trust fund among the beneficiaries who are family members of the settlor; and

(c) provide the framework for consolidated holding and succession of family wealth as represented by the trust fund.

6. Sunflower Partners

Corporate information

Sunflower Partners is a partnership firm registered under the Indian Partnership Act, 1932, constituted through a deed of partnership dated July 30, 2020 and reconstituted pursuant to a deed of reconstituted partnership dated March 31, 2021, with its principal place of business at 8-2-120/112/A/4, Shaikpet Village, Jubilee Hills, Hyderabad 500 033, Telangana, India.

Sunflower Partners is authorised to engage in the business of *inter alia* (i) providing all kinds of consultancy, advisory and other services including entrepreneurial business advisory services, to pre-start-up, post start-up and matured businesses, and all commercial and non-profit organisations, individuals and India and abroad, in all areas of management and professional services, including but not limited to in the fields of pharmaceutical, drugs and chemicals, operations and incubation services; and (ii) investing in, and acquiring and holding, selling, buying or otherwise dealing in immovable property of all kinds as well as shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or foreign governments.

Details of partners

The partners and their proportion of contribution towards the capital of Sunflower Partners as on the date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of partner	Amount of capital balance (in ₹)	Percentage (%) of net profits and losses
1.	Kanumuri Mytreyi (in her representative capacity as trustee of the Sunflower Family Trust)	71,604,673	99.80
2.	Kanumuri Ranga Raju	71,748	0.10
3.	Ranmyt Trading Private Limited	10,000	0.10
Total		**71,686,421**	**100.00**

Kanumuri Mytreyi is the managing partner of Sunflower Partners.

Change in control

There has been no change in the control of Sunflower Partners in the last three years preceding the date of this Draft Red Herring Prospectus.

Sunflower Family Trust

Sunflower Family Trust is a private, irrevocable, discretionary trust under the Indian Trusts Act, 1882, and was settled pursuant to a trust deed dated March 20, 2020 by Kanumuri Ranga Raju as the settlor. The principal place of business of the Sunflower Family Trust is situated at 207, New Bake House 12, MCC Lane, Kala Ghoda, Fort, Mumbai 400 001, Maharashtra, India.

Trustee

Our Individual Promoters, Kanumuri Ranga Raju and Kanumuri Mytreyi are the trustees of the Sunflower Family Trust.

Beneficiaries of the Sunflower Family Trust

The beneficiaries of the Sunflower Family Trust include Kanumuri Mytreyi, Krishna Kanumuri, son of Kanumuri Ranga Raju, Sudha Kanumuri, daughter-in-law of Kanumuri Ranga Raju, Akhil Kanumuri, grandson of Kanumuri Ranga Raju, Varun Kanumuri, grandson of Kanumuri Ranga Raju, Anika Kanumuri, granddaughter of Kanumuri Ranga Raju, lineal descendants of Akhil Kanumuri, lineal descendants of Varun Kanumuri and lineal descendants of Anika Kanumuri. In terms of the trust deed, initial trustees i.e. Kanumuri Mytreyi and Kanumuri Ranga Raju may not be removed by the beneficiaries.

Objects and function

The objects of the Sunflower Family Trust are to:

(a) meet any financial or non-financial needs/ purpose of existing beneficiaries of the trust including maintenance, travel, health, education, insurance including payment of insurance premium, marriage, housing and to maintain the standard of living;

(b) ensure seamless dynastic holding of the trust fund among the beneficiaries who are family members of the settlor; and

(c) provide the framework for consolidated holding and succession of family wealth as represented by the trust fund.

7. Tulip Partners

Corporate information

Tulip Partners is a partnership firm registered under the Indian Partnership Act, 1932, constituted through a deed of partnership dated July 30, 2020 and reconstituted pursuant to a deed of reconstituted partnership dated March 31, 2021, with its principal place of business at 8-2-120/112/A/4, Shaikpet Village, Jubilee Hills, Hyderabad, 500 033, Telangana, India.

Tulip Partners is authorised to engage in the business of *inter alia* (i) providing all kinds of consultancy, advisory and other services including entrepreneurial business advisory services, to pre-start-up, post start-up and matured businesses, and all commercial and non-profit organisations, individuals and India and abroad, in all areas of management and professional services, including but not limited to in the fields of pharmaceutical, drugs and chemicals, operations and incubation services; and (ii) investing in, and acquiring and holding, selling, buying or otherwise dealing in immovable property of all kinds as well as shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or foreign governments.

Details of partners

The partners and their proportion of contribution towards the capital of Tulip Partners as on the date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of partner	Amount of capital balance (in ₹)	Percentage (%) of net profits and losses
1.	Kanumuri Ranga Raju (in his representative capacity as trustee of the Tulip Family Trust)	10,690,684	99.80
2.	Kanumuri Mytreyi	10,712	0.10
3.	Ranmyt Trading Private Limited	10,000	0.10
Total		**10,711,396**	**100.00**

Kanumuri Ranga Raju is the managing partner of Marigold Partners.

Change in control

There has been no change in the control of Tulip Partners in the last three years preceding the date of this Draft Red Herring Prospectus.

Tulip Family Trust

Tulip Family Trust is a private, irrevocable, discretionary trust under the Indian Trusts Act, 1882, and was settled pursuant to a trust deed dated March 20, 2020 by Kanumuri Mytreyi as the settlor. The principal place of business of the Tulip Family Trust is situated at 207, New Bake House 12, MCC Lane, Kala Ghoda, Fort, Mumbai 400 001, Maharashtra, India.

Trustee

Our Individual Promoters, Kanumuri Mytreyi and Kanumuri Ranga Raju are the trustees of the Tulip Family Trust.

Beneficiaries of the Tulip Family Trust

The beneficiaries of the Tulip Family Trust include Kanumuri Ranga Raju, Prathima Kanumuri, daughter of Kanumuri Mytreyi, Karthika Madiraju, granddaughter of Kanumuri Mytreyi, any future children of Prathima Kanumuri and lineal descendants of Karthika Madiraju. In terms of the trust deed, initial trustees i.e. Kanumuri Mytreyi and Kanumuri Ranga Raju may not be removed by the beneficiaries.

Objects and function

The objects of the Tulip Family Trust are to:

(a) meet any financial or non-financial needs/ purpose of existing beneficiaries of the trust including maintenance, travel, health, education, insurance including payment of insurance premium, marriage, housing and to maintain the standard of living;

(b) ensure seamless dynastic holding of the trust fund among the beneficiaries who are family members of the settlor; and

(c) provide the framework for consolidated holding and succession of family wealth as represented by the trust fund.

8. Lily Partners

Corporate information

Lily Partners is a partnership firm registered under the Indian Partnership Act, 1932, constituted through a deed of partnership dated July 30, 2020 and reconstituted pursuant to a deed of reconstituted partnership dated March 31, 2021, with its principal place of business at 8-2-120/112/A/4, Shaikpet Village, Jubilee Hills, Hyderabad, 500 033, Telangana, India.

Lily Partners is authorised to engage in the business of *inter alia* (i) providing all kinds of consultancy, advisory and other services including entrepreneurial business advisory services, to pre-start-up, post start-up and matured businesses, and all commercial and non-profit organisations, individuals and India and abroad, in all areas of management and professional services, including but not limited to in the fields of pharmaceutical, drugs and chemicals, operations and incubation services; and (ii) investing in, and acquiring and holding, selling, buying or otherwise dealing in immovable property of all kinds as well as shares, debentures, debenture-stocks, bonds, units, obligations and securities issued or guaranteed by Indian or foreign governments.

Details of partners

The partners and their proportion of contribution towards the capital of Lily Partners as on the date of this Draft Red Herring Prospectus are as under:

Sr. No.	Name of partner	Amount of capital balance (in ₹)	Percentage (%) of net profits and losses
1.	Kanumuri Mytreyi (in her representative capacity as trustee of the Lily Family Trust)	67,226,601	99.80
2.	Kanumuri Ranga Raju	67,361	0.10
3.	Ranmyt Trading Private Limited	10,000	0.10
Total		**67,303,962**	**100.00**

Kanumuri Mytreyi is the managing partner of Sunflower Partners.

Change in control

There has been no change in the control of Lily Partners in the last three years preceding the date of this Draft Red Herring Prospectus.

Lily Family Trust

Lily Family Trust is a private, irrevocable, discretionary trust under the Indian Trusts Act, 1882, and was settled pursuant to a trust deed dated March 20, 2020 by Kanumuri Ranga Raju as the settlor. The principal place of business of the Lily Family Trust is situated at 207, New Bake House 12, MCC Lane, Kala Ghoda, Fort, Mumbai 400 001, Maharashtra, India.

Trustee

Our Individual Promoters, Kanumuri Ranga Raju and Kanumuri Mytreyi are the trustees of the Lily Family Trust.

Beneficiaries of the Lily Family Trust

The beneficiaries of the Lily Family Trust include Kanumuri Mytreyi, Prathima Kanumuri, daughter of Kanumuri Ranga Raju, Karthika Madiraju, granddaughter of Kanumuri Ranga Raju, any future children of Prathima Kanumuri and lineal descendants of Karthika Madiraju. In terms of the trust deed, initial trustees i.e. Kanumuri Mytreyi and Kanumuri Ranga Raju may not be removed by the beneficiaries.

Objects and function

The objects of the Lily Family Trust are to:

(a) meet any financial or non-financial needs/ purpose of existing beneficiaries of the trust including maintenance, travel, health, education, insurance including payment of insurance premium, marriage, housing and to maintain the standard of living;

(b) ensure seamless dynastic holding of the trust fund among the beneficiaries who are family members of the settlor; and

(c) provide the framework for consolidated holding and succession of family wealth as represented by the trust fund.

Our Company confirms that the permanent account number and bank account number(s) of the Other Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus with them.

Other ventures of our Promoters

Other than as disclosed in "– *Our Promoter Group*" on page 211, our Promoters are not involved in any other ventures.

Change in the control of our Company

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

For details in relation to the shareholding of our Promoters and Promoter Group, and changes in the shareholding of our Promoters, including in the five years preceding the date of this Draft Red Herring Prospectus, see "*Capital Structure*" on page 66.

Interests of Promoters

Our Promoters are interested in our Company to the extent that (i) they are the Promoters of our Company; and (ii) to the extent of their direct and indirect shareholding in our Company and the shareholding of the relatives of the Promoters in our Company; including the dividend payable, if any, and any other distributions in respect of the Equity Shares and CCPS held by them and by their relatives in our Company, from time to time. Further, Kanumuri Ranga Raju and Krishnam Raju Kanumuri, our Individual Promoters, are also Chairman and Whole-time Director; and Managing Director and Chief Executive Officer, respectively, of our Company and may be deemed to be interested to the extent of remuneration and benefits paid to them. For further details of interest of Promoters in our Company, see "*Our Management – Interest of Directors*" on page 194. For further details of interest of our Promoters in our Company, see "*Financial Information – Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

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 a member in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or promoter or otherwise for services rendered by our Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Our Company had entered into a lease agreement dated February 19, 2020 with Soma Khadi Gramodyog Sangha, Gournalli District, Bidar ("**Society**"), represented by Kanumuri Ranga Raju as its president for lease of an industrial land bearing Plot No. 130A in Survey No. 13 in Kolhar Industrial Area, within the limits of Nizampur, Hobli: Kamthana, Taluka and District: Bidar ("**Property**"). Kanumuri Ranga Raju's interest in being a member of the Society ceased from April 1, 2022. Our Company entered into a fresh lease agreement dated April 1, 2022 with the Society, represented by Nadimpalli Kalivara Prasad Raju as its president. Subsequently, our Company purchased the Property from the Society pursuant to the sale deed dated January 8, 2024. For further details, see "*Financial Information – Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266. Except as disclosed herein, none of our Promoters have 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, etc. For further details, see "*Financial Information – Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

Kanumuri Ranga Raju and Kanumuri Mytreyi, our Individual Promoters, are also interested to the extent that they (i) are partners of our Other Promoters in their respective capacities as the trustees of Marigold Family Trust, Sunflower Family Trust, Tulip Family Trust and Lily Family Trust; (ii) are directors on the board and indirectly hold equity shares of our Corporate Promoter, and are authorised to exercise all the rights as a shareholder in respect of the Equity Shares held by our Other Promoters and Corporate Promoter. For details, see "*Capital Structure – History of the Share Capital held by our Promoters*" and "*Our Management – Interest of Directors*" on pages 83 and 194, respectively.

Payment of benefits to our Promoters or our Promoter Group

Except as disclosed in "*Other Financial Information - Related Party Transactions*" on page 275 and except as disclosed under "*- Interests of our Promoters*" on page 210, 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.

Material guarantees given by our Promoters to third parties with respect to Equity Shares of our Company

Our Promoters have not given any material guarantees to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding 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 have not been declared as fugitive economic offenders under the Fugitive Economic Offenders Act, 2018.

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 a promoter or director 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.

There is no conflict of interest between our Promoters or members of our Promoter Group and the suppliers of raw materials and third-party service providers, which are crucial for the operations of our Company. There is no conflict of interest between our Promoters or members of our Promoter Group and lessors of the immovable properties, which are crucial for the operations of our Company.

Our 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 Individual Promoters) other than our Individual Promoters:

Sr. No.	Name of the Individual Promoter	Name of the relative	Relationship with our Individual Promoter
1.	Kanumuri Ranga Raju	Kanumuri Mytreyi	Spouse

Sr. No.	Name of the Individual Promoter	Name of the relative	Relationship with our Individual Promoter
		Bapi Raju Kanumuri	Brother
		Kunaparaju Padmavathi	Sister
		Krishnam Raju Kanumuri	Son
		Prathima Kanumuri	Daughter
		Venkatasivarama Raju Gokaraju	Spouse’s brother
		Kalidindi Bangarayamma	Spouse’s sister
2.	Kanumuri Mytreyi	Kanumuri Ranga Raju	Spouse
		Venkatasivarama Raju Gokaraju	Brother
		Kalidindi Bangarayamma	Sister
		Krishnam Raju Kanumuri	Son
		Prathima Kanumuri	Daughter
		Bapi Raju Kanumuri	Spouse’s brother
		Kunaparaju Padmavathi	Spouse’s sister
3.	Krishnam Raju Kanumuri	Kanumuri Sudha	Spouse
		Kanumuri Ranga Raju	Father
		Kanumuri Mytreyi	Mother
		Prathima Kanumuri	Sister
		Akhil Kanumuri	Son
		Varun Kanumuri	Son
		Kanumuri Anika	Daughter
		Gokaraju Subba Raju	Spouse’s father
		Gokaraju Lakshmi Tanuja	Spouse’s mother
		Sarada Gokaraju	Spouse’s sister

Entities forming part of our Promoter Group

The entities forming part of the Promoter Group, in addition to the Corporate Promoter and Other Promoters are:

1. Chemrich Fine Chemicals Private Limited;
2. Chrysanthemum Family Trust;
3. Chrysanthemum Partners;
4. Continental Wines Private Limited;
5. Gokaraju Aqua Farms;
6. Gokaraju Venkata Sivarama Raju HUF.
7. HUTANSA;
8. JRV Properties LLP;
9. Kanumuri Bapi Raju HUF;
10. Kanumuri Rangaraju HUF;
11. Lakshmi Acqua Culture Private Limited;
12. Lily Family Trust;
13. Marigold Family Trust;
14. Mytreyi Aqua Culture Private Limited;
15. Orchid Family Trust;
16. Orchid Partners;
17. Prathima Aqua Culture Private Limited;
18. Ranmyt Trading Private Limited;
19. Sai International;
20. Sckrivets;
21. SIRI Pharma;

22. SIRIS Herbex;

23. SIRIS Impex;

24. South India Research Institute Private Limited;

25. Sudarsan International;

26. Sunflower Family Trust;

27. Swathi Aqua Culture Private Limited; and

28. Tulip Family Trust.

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, at their discretion, subject to compliance with the provisions of our Articles of Association and 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 Companies Act. The dividend distribution policy of our Company was approved and adopted by our Board on July 10, 2024.

In accordance with the dividend policy, 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 our Company may declare dividend shall *inter alia* include Company's liquidity position including its present and expected obligations, profits of the Company, present and future capital expenditure plans of the Company including organic / inorganic growth opportunities and any other relevant or material factor as may be deemed fit by the Board. The external factors on the basis of which our Company may declare the dividend shall *inter alia* include state of economy and capital markets, applicable taxes, regulatory changes and any other relevant or material factor as may be deemed fit by the Board.

The amount of dividend paid in the past is not necessarily indicative of dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. 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.

Our Company has not declared dividends on the Equity Shares during the preceding three Fiscals or since April 1, 2024 until the date of this Draft Red Herring Prospectus.

The details of the dividend paid by our Company on the CCPS during the last three Fiscals and from April 1, 2024 till the date of this Draft Red Herring Prospectus are given below:

Particulars	April 1, 2024 up till the date of the DRHP	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of CCPS	480,000	480,000	480,000	480,000
Face value per CCPS (in ₹)	10	10	10	10
Paid up value per CCPS	10	8.06	8.06	8.06
Interim dividend (in ₹ million)	-	-	30.67*	-
Final dividend (in ₹ million)	-	-	-	-
Aggregate dividend (in ₹ million)	-	-	30.67*	-
Dividend per fully paid up (₹10) CCPS (in ₹)	-	-	79.26	-
Dividend per partly paid (₹8.06) CCPS (in ₹)	-	-	63.88	-
Rate of dividend (%)	-	-	793%	-
Mode of Payment	-	-	Banking channel	-

* *Interim dividend for Fiscal 2022 was approved by our Board on June 20, 2022 and November 30, 2022, and paid in Fiscal 2023 in June 2022 and December 2022.*

The details of the dividend paid by our Company on the OCPS during the last three Fiscals and from April 1, 2024 till the date of this Draft Red Herring Prospectus are given below:

Particulars	April 1, 2024 up till the date of the DRHP	Fiscal 2024	Fiscal 2023	Fiscal 2022
No. of OCPS	-	600,000	600,000	600,000
Face value OCPS (in ₹)	-	10	10	10
Paid up value per OCPS	-	8.06	8.06	8.06
Interim dividend (in ₹ million)	-	-	38.33*	-
Final dividend (in ₹ million)	-	-	-	-
Aggregate dividend (in ₹ million)	-	-	38.33*	-
Dividend per fully paid up OCPS (in ₹)	-	-	79.26	-
Dividend per partly paid up OCPS (in ₹)	-	-	63.88	-
Rate of dividend (%)	-	-	793%	-
Mode of Payment	-	-	Banking channel	-

* *Interim dividend for Fiscal 2022 was approved by our Board on June 20, 2022 and November 30, 2022, and paid in Fiscal 2023 in June 2022 and December 2022.*

SECTION VII: FINANCIAL INFORMATION

RESTATED CONSOLIDATED FINANCIAL INFORMATION

(*The remainder of this page has been left intentionally blank*)

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Sai Life Sciences Limited
Plot No. DS- 7, IKP Knowledge Park
Turkapally Village, Shameerpet Mandal
Medchal – Malkajgiri District - 500 078
Telangana, India

Dear Sirs,

1. We have examined, as appropriate (refer paragraph 6 below), the attached Restated Consolidated Financial Information of Sai Life Sciences Limited (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries collectively referred to as the "Group"), comprising the Restated Consolidated Statement of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Changes in Equity, the Restated Consolidated Statements of Cash Flows for the years ended March 31, 2024, 2023 and 2022, the Summary Statement of Material 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 July 10, 2024 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offering 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 management is responsible for the preparation of the Restated Consolidated Financial Information which have been approved by the Board of Directors of the Company for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India (SEBI), BSE Limited and National Stock Exchange of India Limited (collectively, with BSE Limited, the "Stock Exchanges") in connection with the proposed IPO. The Restated Consolidated Financial Information has been prepared by the management of the Company on the basis of preparation stated in note 2 to the Restated Consolidated Financial Information. The respective board of directors of the companies included in the Group are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information. The respective board of directors are also responsible for identifying and ensuring that the Group complies 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 July 08, 2024 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 the audited consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2024, 2023 and 2022 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 of the Company at their meeting held on May 21, 2024, August 9, 2023 and August 17, 2022 respectively.

5. For the purpose of our examination, we have relied on Auditors' reports issued by us dated May 21, 2024, August 9, 2023 and August 17, 2022 on the consolidated Ind AS financial statements of the Group as at and for the years ended March 31, 2024, 2023 and 2022 as referred in Paragraph 4 above.

6. As indicated in our audit reports referred above:

   a) we did not audit financial statements of subsidiaries whose share of total assets, total revenues, and net cash inflows / (outflows) included in the consolidated Ind AS financial statements, for the relevant year is tabulated below, which have been audited by other auditors (listed in Appendix 1), and whose report have been furnished to us by the Company's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the report of the other auditors:

(Rs in million, unless specified otherwise)

Particulars	**As at/ for the year ended March 31, 2024**	**As at/ for the year ended March 31, 2023**	**As at/ for the year ended March 31, 2022**
Number of subsidiaries	2	2	1
Total assets	1,293.83	1,348.67	1,326.34
Total revenue	1,024.81	1,078.14	744.70
Net cash inflow/ (outflows)	4.98	(3.43)	3.52

Our opinion on the consolidated Ind AS financial statements is not modified in respect of this matter.

   b) we did not audit financial statements of a subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the consolidated Ind AS financial statements, for the period tabulated below, which are unaudited (listed in Appendix 2) and have been furnished to us by the Company's management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this component, is 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 Group (Refer Note 2(B)(b) to the Restated Consolidated Financial Statements)

(Rs in million, unless specified otherwise)

Particulars	**As at/ for the year ended March 31, 2022**
Number of subsidiary	1
Total assets	1.36
Total revenue	-
Net cash inflow/ (outflows)	1.36

These other auditors of certain subsidiaries, as mentioned above, have examined the restated financial information (listed in Appendix 3) and have confirmed that the restated financial information:

i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications in the financial year ended March 31, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024;

ii. do not require any adjustment for modification as there is no modification in the underlying audit report; and

iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the other auditors for the respective years, 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, 2023, and 2022 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2024;

   b) do not require any adjustment for modification as there is no modification in the underlying audit report; 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 consolidated Ind AS financial statements mentioned in paragraph 4 above (except for the matters as described in note 2 (A) of the Restated Consolidated Financial Information).

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 of the Company for inclusion in the DRHP to be filed with SEBI and the Stock Exchanges, 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 LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sathya P Koushik
Partner
(Membership No. 206920)
UDIN: 24206920BKANZW5927

Place: Bengaluru

Date: July 10, 2024

Appendix 1

List of subsidiaries audited by other auditors

Sr. No	Name of the entity	Independent Auditors	Periods audited
1	Sai Life Sciences Inc.	Siva Krishnan & Narayan	FY 2023-24 FY 2022-23 FY 2021-22
2	Sai Life Sciences GMBH	Siva Krishnan & Narayan	FY 2023-24 FY 2022-23

Appendix 2

List of subsidiary which is unaudited

Sr. No	Name of the entity	Period unaudited
1.	Sai Life Sciences GMBH	FY 2021-22
-	-	-

Appendix 3

List of subsidiaries examined by other auditors

Sr. No	Name of the entity	Independent Auditor	Periods examined
1	Sai Life Sciences Inc.	Siva Krishnan & Narayan	FY 2023-24 FY 2022-23 FY 2021-22
2	Sai Life Sciences GMBH	Siva Krishnan & Narayan	FY 2023-24 FY 2022-23 FY 2021-22

Sai Life Sciences Limited
CIN-U24110TG1999PLC030970
Restated Consolidated Statement of Assets and Liabilities
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	As at		
		31 March 2024	**31 March 2023**	**31 March 2022**
Assets				
Non-current assets				
(a) Property, plant and equipment	6	9,263.55	7,776.15	7,429.03
(b) Right of use assets	7	2,397.13	2,478.73	2,210.96
(c) Capital work in progress	6	1,068.95	1,510.01	1,886.87
(d) Intangible assets	8	137.73	114.33	80.50
(e) Financial assets				
(i) Investments	9	18.68	18.68	0.16
(ii) Other financial assets	10	40.67	26.57	30.52
(f) Deferred tax assets	11	131.33	80.62	57.06
(g) Non-current tax assets (net)	12	132.79	76.63	138.12
(h) Other non-current assets	13	109.39	145.26	355.31
Total non-current assets		**13,300.22**	**12,226.98**	**12,188.53**
Current assets				
(a) Inventories	14	874.43	1,395.30	1,269.13
(b) Financial assets				
(i) Trade receivables	15	2,561.84	2,840.51	2,429.04
(ii) Cash and cash equivalents	16(i)	236.57	699.12	1,159.39
(iii) Bank balances other than (ii) above	16(ii)	1,351.43	164.24	143.52
(iv) Other financial assets	10	794.76	1,784.74	1,443.75
(c) Other current assets	13	3,632.11	2,755.59	3,008.94
Total current assets		**9,451.14**	**9,639.50**	**9,453.77**
Total assets		**22,751.36**	**21,866.48**	**21,642.30**
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	17	180.50	180.10	179.43
(b) Other equity	18	9,570.94	8,700.83	8,606.22
Total equity		**9,751.44**	**8,880.93**	**8,785.65**
Liabilities				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	2,772.46	2,609.69	2,971.71
(ii) Lease liabilities	20	1,757.21	1,957.97	1,895.66
(iii) Other financial liabilities	21	13.33	37.27	28.01
(b) Provisions	22	195.23	166.76	189.31
(c) Deferred tax liabilities (net)	23	862.66	625.34	625.99
Total non-current liabilities		**5,600.89**	**5,397.03**	**5,710.68**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	4,329.17	4,382.60	4,541.47
(ii) Lease liabilities	20	417.76	373.49	245.61
(iii) Trade payables				
(A) Total outstanding dues of micro enterprises and small enterprises	24	90.07	80.90	122.14
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	24	1,903.98	2,008.56	1,869.91
(iv) Other financial liabilities	21	317.53	227.79	93.65
(b) Other current liabilities	25	256.80	409.49	188.26
(c) Provisions	22	83.72	72.02	59.26
(d) Current tax liabilities (net)	26	-	33.67	25.67
Total current liabilities		**7,399.03**	**7,588.52**	**7,145.97**
Total equity and liabilities		**22,751.36**	**21,866.48**	**21,642.30**

See accompanying notes 1 to 51 forming part of these Restated Consolidated Financial Information

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

Sathya P. Koushik
Partner
Membership No.: 206920

Place: Bengaluru
Date: 10-Jul-2024

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614
Place: Manchester

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Hyderabad
Date: 10-Jul-2024

Sai Life Sciences Limited
CIN-U24110TG1999PLC030970
Restated Consolidated Statement of Profit and Loss
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		Note	For the year ended 31 March 2024	31 March 2023	31 March 2022
	Income				
I	Revenue from operations	27	14,651.78	12,171.39	8,695.93
II	Other income	28	290.91	279.66	281.48
III	**Total income (I + II)**		**14,942.69**	**12,451.05**	**8,977.41**
IV	**Expenses**				
	Cost of material, chemicals & reagents consumed	29	4,232.97	4,271.75	2,695.91
	Changes in inventories of work-in-progress	30	224.33	(45.88)	(28.30)
	Employee benefits expense	31	4,949.05	4,172.86	3,089.70
	Finance costs	32	859.10	770.57	495.71
	Depreciation and amortisation expense	33	1,194.36	994.32	901.61
	Other expenses	34	2,390.54	2,123.35	1,725.83
	Total expenses (IV)		**13,850.35**	**12,286.97**	**8,880.46**
V	**Profit before tax (III - IV)**		**1,092.34**	**164.08**	**96.95**
VI	**Tax expense**	35			
	(i) Current tax		77.57	100.28	94.21
	(ii) Deferred tax		186.68	(36.09)	(59.52)
	Total tax expense (VI)		**264.25**	**64.19**	**34.69**
VII	**Profit after tax (V - VI)**		**828.09**	**99.89**	**62.26**
VIII	**Other comprehensive income**				
A.	(i) Items that will not be reclassified to profit or loss:				
	(a) Re-measurement of defined benefit plans		7.71	31.13	15.85
	(ii) Income-tax on items that will not be reclassified to profit or loss		(1.92)	(7.83)	(3.99)
			5.79	**23.30**	**11.86**
B.	(i) Items that will be reclassified to profit or loss:				
	(a) Effective portion of gain/(loss) on designated portion of hedging instruments in a cash flow hedge		(7.89)	(11.70)	17.15
	(b) Exchange differences on translating foreign operations		10.33	27.80	20.75
	(ii) Income-tax on items that will be reclassified to profit or loss		1.99	(4.06)	(9.54)
			4.43	**12.04**	**28.36**
	Total other comprehensive income for the year, net of tax (A + B)		**10.22**	**35.34**	**40.22**
	Total comprehensive income for the year (VII + VIII)		**838.31**	**135.23**	**102.48**
IX	**Earnings per equity share (in absolute ₹ terms)**	36			
	Basic		4.57	0.55	0.35
	Diluted		4.53	0.55	0.34

See accompanying notes 1 to 51 forming part of these Restated Consolidated Financial Information

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614
Place: Manchester

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Bengaluru
Date: 10-Jul-2024

Place: Hyderabad
Date: 10-Jul-2024

Sai Life Sciences Limited
CIN-U24110TG1999PLC030970
Restated Consolidated Statement of Cash Flows
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended		
	31 March 2024	**31 March 2023**	**31 March 2022**
Cash flow from operating activities			
Profit before tax	**1,092.34**	**164.08**	**96.95**
Adjustments for :			
Interest income	(135.97)	(106.64)	(70.50)
(Gain)/loss on sale of Property, plant and equipment, net	(0.10)	5.67	(113.15)
Unrealised foreign exchange gain	(44.42)	(30.05)	(18.80)
Depreciation and amortisation expense	1,194.36	994.32	901.61
Equity -settled share-based payments	22.53	8.14	22.41
Finance costs	859.10	770.57	495.71
Bad debts written off (net of recoveries)	62.04	67.96	7.43
Advances written off	10.72	-	-
Provision towards advances	13.66	-	-
Asset under CWIP written off	61.86	-	-
Provision towards doubtful trade receivables, net	15.90	11.52	53.73
Operating cash flows before working capital changes	**3,152.02**	**1,885.57**	**1,375.39**
(Increase)/decrease in other non-current assets	(76.38)	404.89	107.47
(Increase)/decrease in inventories	520.87	(126.17)	(505.64)
(Increase)/decrease in trade receivables	288.14	(450.79)	(432.45)
(Increase)/decrease in other current assets	(887.24)	236.07	(32.79)
(Increase)/decrease in other financial assets	37.62	(12.71)	19.95
Increase/(decrease) in trade payables	(91.16)	123.85	642.96
Increase/(decrease) in other financial liabilities & provisions	(21.58)	(47.11)	(25.17)
Increase/(decrease) in other non-current and current liabilities	(152.69)	221.23	(19.83)
Net cash generated from operating activities	**2,769.60**	**2,234.83**	**1,129.89**
Income-taxes paid, net	(138.73)	(40.80)	(81.23)
Net cash generated from operating activities (A)	**2,630.87**	**2,194.03**	**1,048.66**
Cash flows from investing activities			
Purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors)	(1,816.90)	(1,130.75)	(2,069.14)
Proceeds from sale of property, plant and equipment	8.53	419.07	985.42
Investments in other entity	-	(18.52)	-
Movement in other bank balances	(1,187.19)	(20.72)	(46.93)
(Investment)/Redemption of Corporate deposits	950.00	(350.00)	5.00
Interest income received	121.75	83.11	88.51
Net cash used in investing activities (B)	**(1,923.81)**	**(1,017.81)**	**(1,037.14)**
Cash flows from financing activities			
Proceeds from issue of equity shares	9.67	20.91	31.25
Proceeds from / (Repayment of) current borrowings, net	248.93	(664.36)	739.39
Proceeds from non-current borrowings	750.00	300.00	1,001.48
Repayment of non-current borrowings	(667.28)	(532.76)	(316.25)
Interest portion of lease liabilities	(253.53)	(241.22)	(84.62)
Principal portion of lease liabilities	(441.05)	(345.23)	(235.95)
Interest paid #	(599.73)	(543.82)	(416.07)
Net cash generated from/(used in) financing activities (C)	**(952.99)**	**(2,006.48)**	**719.23**
Net decrease in cash and cash equivalents during the year (A + B + C)	**(245.93)**	**(830.26)**	**730.75**
Effect of exchange differences on cash and cash equivalents held in foreign currency	10.33	27.80	20.75
Cash and cash equivalents at the beginning of the year	355.29	1,157.75	406.25
Cash and cash equivalents at the end of the year (Note 1 below)	**119.69**	**355.29**	**1,157.75**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended		
	31 March 2024	**31 March 2023**	**31 March 2022**
Note 1:			
Cash and cash equivalents includes			
Cash on hand	0.12	0.28	0.12
Balances with banks	-	-	
-in current accounts	143.60	78.25	592.68
-in book overdraft in bank accounts	(116.88)	(343.83)	(1.65)
-in cash credit accounts	92.85	320.59	566.60
-in deposits account	-	300.00	-
	119.69	**355.29**	**1,157.75**

Interest paid in cash flow from financing activities includes borrowing cost capitalised as property, plant and equipment and CWIP during the year amounting to ₹18.48 (31 March 2023: ₹ 28.96 and 31 March 2022: ₹ 50.27)

Refer note 19 for reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities.

See accompanying notes 1 to 51 forming part of these Restated Consolidated Financial Information

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614
Place: Manchester

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Bengaluru
Date: 10-Jul-2024

Place: Hyderabad
Date: 10-Jul-2024

Sai Life Sciences Limited
CIN-U24110TG1999PLC030970
Restated Consolidated Statement of Changes in Equity
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

A Share Capital

	Equity		Preference		Total
	Number of shares	Amount	Number of shares	Amount	Amount
As at 31 March 2021	**1,74,29,579**	**174.29**	**4,80,000**	**3.87**	**178.16**
Changes in share capital during the year	1,26,727	1.27	-	-	1.27
As at 31 March 2022	**1,75,56,306**	**175.56**	**4,80,000**	**3.87**	**179.43**
Changes in share capital during the year	66,250	0.67	-	-	0.67
As at 31 March 2023	**1,76,22,556**	**176.23**	**4,80,000**	**3.87**	**180.10**
Changes in share capital during the year	40,478	0.40	-	-	0.40
As at 31 March 2024	**1,76,63,034**	**176.63**	**4,80,000**	**3.87**	**180.50**

B Other Equity

	Reserves and Surplus				Other comprehensive income		Total
	Capital reserve	Securities premium	Employee stock options outstanding account	Retained earnings	Effective portion of cash flow hedges	Foreign currency translation reserve	
Balance as at 31 March 2021	**8.07**	**3,825.58**	**70.61**	**4,560.91**	**(16.09)**	**2.27**	**8,451.35**
Amount transferred on exercise/forfeiture of employee stock options	-	-	(5.82)	5.82	-	-	-
Profit for the year	-	-	-	62.26	-	-	**62.26**
Other comprehensive income	-	-	-	15.85	17.15	20.75	**53.75**
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(3.99)	-	-	**(3.99)**
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	(4.32)	(5.22)	**(9.54)**
Total comprehensive income	-	-	-	**74.12**	**12.83**	**15.53**	**102.48**
Shares allotted during the year	-	29.98	-	-	-	-	**29.98**
Share-based payment expense	-	-	22.41	-	-	-	**22.41**
Balance as at 31 March 2022	**8.07**	**3,855.56**	**87.20**	**4,640.85**	**(3.26)**	**17.80**	**8,606.22**
Amount transferred on exercise/forfeiture of employee stock options	-	-	(0.58)	0.58	-	-	-
Profit for the year	-	-	-	99.89	-	-	**99.89**
Other comprehensive income	-	-	-	31.13	(11.70)	27.80	**47.23**
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(7.83)	-	-	**(7.83)**
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	2.94	(7.00)	**(4.06)**
Total comprehensive income	-	-	**(0.58)**	**123.77**	**(8.76)**	**20.80**	**135.23**
Dividend paid	-	-	-	(69.00)	-	-	**(69.00)**
Shares allotted during the year on account of exercise of employee stock options	-	20.24	-	-	-	-	**20.24**
Share-based payment expense	-	-	8.14	-	-	-	**8.14**
Balance as at 31 March 2023	**8.07**	**3,875.80**	**94.76**	**4,695.62**	**(12.02)**	**38.60**	**8,700.83**

Sai Life Sciences Limited
CIN-U24110TG1999PLC030970
Restated Consolidated Statement of Changes in Equity
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Balance as at 31 March 2023	**8.07**	**3,875.80**	**94.76**	**4,695.62**	**(12.02)**	**38.60**	**8,700.83**
Amount transferred on forfeiture of employee stock options	-	-	(4.71)	4.71	-	-	**-**
Amount transferred on exercise of employee stock options	-	6.48	(6.48)	-	-	-	
Profit for the year	-	-	-	828.09	-	-	**828.09**
Other comprehensive income	-	-	-	7.71	(7.89)	10.33	**10.15**
Income-tax on items that will not be reclassified to profit or loss	-	-	-	(1.92)	-	-	**(1.92)**
Income-tax on items that will be reclassified to profit or loss	-	-	-	-	1.99	-	**1.99**
Total comprehensive income	**-**	**6.48**	**(11.19)**	**838.59**	**(5.90)**	**10.33**	**838.31**
Shares allotted during the year	-	9.27	-	-	-	-	**9.27**
Share-based payment expense	-	-	22.53	-	-	-	**22.53**
Balance as at 31 March 2024	**8.07**	**3,891.55**	**106.10**	**5,534.21**	**(17.92)**	**48.93**	**9,570.94**

See accompanying notes 1 to 51 forming part of these Restated Consolidated Financial Information

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm Registration No.: 117366W/W-100018

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

Sathya P. Koushik
Partner
Membership No.: 206920

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614
Place: Manchester

Sivaramakrishnan Chittor
Chief Financial Officer

Runa Karan
Company Secretary
Membership No.: A13721

Place: Bengaluru
Date: 10-Jul-2024

Place: Hyderabad
Date: 10-Jul-2024

1. Corporate information

The Restated Consolidated Financial Information comprise of the financial statements of Sai Life Sciences Limited ("Sai Life" or "the Parent Company" or "the Company"), its subsidiaries (collectively, referred to as the "Group"). Sai Life Sciences Limited is a closely held public limited company domiciled and incorporated in India in accordance with the provisions of the erstwhile Companies Act, 1956. The registered office of the Company is situated in Hyderabad, Telangana and has facilities in the states of Telangana and Karnataka , India.

The Group carries out contract research and manufacturing activities for customers engaged in pharmaceutical and biotechnology industries.

2. Basis of preparation and Statement of compliance

A. The Restated Consolidated Financial Information of the Company and its subsidiaries (collectively, the "Group") comprises of the Restated Consolidated Statements of Assets and Liabilities as at 31 March 2024, 31 March 2023 and 31 March 2022, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statements of Changes in Equity and the Restated Consolidated Statements of Cash Flows for the years ended March 31, 2024, 2023 and 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information'). The Restated Consolidated Financial Information were authorised for issuance by the Group's Board of Directors on 10 July 2024.

These Restated Consolidated Financial Information has 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 has been prepared on the historical cost convention and on an accrual basis except for the following material items in the restated consolidated statement of assets and liabilities:

- Certain financial assets and liabilities which are measured at fair value;
- Share based payments, which are measured at fair value of the options.

These Restated Consolidated Financial Information have been compiled by the Management from audited consolidated financial statements of the Group as at and for the years ended 31 March 2024, 31 March 2023 and 31 March 2022 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 Financial Statements"), which have been approved by the Board of Directors at their meetings held on 21 May 2024, 09 August 2023 and 17 August 2022 respectively.

The accounting policies have been consistently applied by the Group in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Consolidated Financial Statements as at and for the year ended 31 March 2024.

Subsequent to 31 March 2024, pursuant to a resolution of shareholders dated 11 June 2024, 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"). As required under Ind AS 33 "Earnings per share" the effect of such Split 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 has been considered in these Restated Consolidated Financial Information for the purpose of calculation of earnings per share (refer note 36 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 financial statements other than those described above.

B. 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 2023 and 31 March 2022 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended 31 March 2024.

b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The auditor's report dated 17 August 2022 on the Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2022 includes following other matter paragraph:

Other Matter:

"We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 1.36 Millions as at 31 March 2022, total revenues of Rs. NIL and net cash inflows amounting to Rs. 1.36 Millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is 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 Group.

Our opinion is not modified in respect of this matter."

The special purpose financial statements as at and for the year ended March 31, 2022 of such subsidiary have been subsequently audited by an Independent Chartered Accountant who have issued an audit report dated 10 July 2024 which report is unmodified and includes an emphasis of matter paragraph as follows:

"We draw attention to Note 1(a) to the Special Purpose financial statements which indicates that the company had prepared Special purpose financial statements for the financial year 2021-22 solely for the purpose of inclusion in the restated consolidated financial information of Sai Life Sciences Limited, Parent Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in relation to the proposed initial public offering of the Parent Company.

Our opinion is not modified in respect of this matter."

The Restated Consolidated Financial Information do not require any adjustment for the above-mentioned Other Matter paragraph.

Functional and presentation currency

The Restated Consolidated Financial Information is presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest millions, unless otherwise stated. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

3. Use of estimates and judgements

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires management to make judgments, estimates and assumptions that 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 such changes are made and if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

The Group applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. Revenue will be recognised as the customer obtains control of the product and services promised in the Contract. Given the nature of the product and terms and conditions in case of certain contracts, the customer obtains control as the Group performs the work under the contract. Therefore, revenue is recognised over time for such contracts and for other contracts at a point in time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Further, the Group uses the percentage of completion method to measure progress towards completion in respect of fixed price contracts. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

Assumptions and estimation uncertainties

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

Items requiring significant estimate	**Assumption and estimation uncertainty**
Useful lives of property, plant and equipment and Intangible assets	The Group reviews the estimated useful lives of property, plant and equipment and the intangible assets at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Group makes an estimate of future selling prices and costs necessary to make the sale. At the end of each reporting year, the Company assess the potential usage of inventories held and judgements are involved in assessing the alternate usage and realisability of inventories.
Fair valuation measurement and valuation process	Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.
Contract assets	Contract asset is recognised when the performance obligations are fulfilled and revenue is recognised over a period of time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Estimates are involved in determining the percentage of completion of the contract.
Leases	The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future years is reassessed to ensure that the lease term reflects the current economic circumstances. The Group makes an assessment of the buy back option while determining the useful life for amortising the Right of use assets.
Employee benefits	The Group uses actuarial assumptions to determine the obligations for employee benefits at each reporting date. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provisions, contingencies - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources	The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in the notes to the consolidated financial statements.
Loss allowance for trade receivables	Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL,

Items requiring significant estimate	Assumption and estimation uncertainty
	unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.
Government grants	The Group recognises government grants only when there is no uncertainty on compliance with conditions attached and on receipt of grants. Judgments are involved in assessing compliance with conditions and ultimate receipt of grants.
Share based compensation	At the end of each reporting year, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in restated consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions. In assessing the realisability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of deferred income tax assets considered realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

4. Basis Of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Restated Financial Information of subsidiaries are included in the Restated Consolidated Financial Information from the date on which control commences until the date on which control ceases. The Restated Consolidated Financial Information of the Group are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealised losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognised as per Ind AS 12, Income Taxes.

Following are the subsidiaries considered in these Restated Consolidated Financial Information:

Name of the subsidiary	% of holding by Parent	Country of Incorporation
Sai Life Sciences Inc	**100**	**USA**
Sai Life Pharma Private Limited	**100**	**India**
Sai Life Sciences Gmbh	**100**	**Germany**
Sai Life Drugform Private Limited*	**100**	**India**

*Sai Life Drugform Private Limited-subsidiary company, applied for strike off effective dt. 25 March 2022 & approved by MCA as on 26 April 2023.

5. Summary of Material Accounting Policies

The Restated Consolidated Financial Information has been prepared using the material accounting policies and measurement basis summarized below.

a. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. The Group presents assets and liabilities in the restated consolidated statement of assets and liabilities based on current/ non-current classification.

An **asset** is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Expected to be realised within twelve months after the reporting date, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

A **liability** is classified as current when:

- It is expected to be settled in normal operating cycle
- It is due to be settled within twelve months after the reporting date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

b. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Group using the exchange rates at the dates of the transactions or at the rate that closely approximates the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the nonmonetary asset or non-monetary liability arising from payment or receipt of advance consideration Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the restated consolidated statement of profit and loss and reported within foreign exchange gains/ (losses), net.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (subsidiaries) that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and held in foreign currency translation reserve ("FCTR"), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. The assets and liabilities of foreign operations (subsidiaries) are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency translation differences are recognised in OCI and accumulated in equity (as exchange differences on translating the consolidated financial statements of a foreign operation).

c. Revenue recognition

Revenue is measured at the transaction value of the consideration received or receivable.

Contract research, development and manufacturing services income :
In contracts involving the rendering of services/ development contracts, revenue is recognised at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Group recognises revenue on the basis of input method of Percentage of completion. If the services rendered by the Group exceed the payment, a Contract asset (Unbilled Revenue) is recognised. If the payments exceed the services rendered, a contract liability (Deferred Revenue and Advance from Customers) is recognised. If the contracts involve time-based billing, revenue is recognised in the amount to which the Group has a right to invoice.

Revenue from the operations is recognised when the Group transfers Control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Group has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net of returns, trade allowances, rebates and indirect taxes.

'Bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing, revenue is recognised when the buyer takes title, provided:
(a) it is probable that delivery will be made;
(b) the item is on hand, identified and ready for delivery to the buyer at the time the sale is recognised;
(c) the buyer specifically acknowledges the deferred delivery instructions; and
(d) the usual payment terms apply.
Revenue is not recognized when there is simply an intention to acquire or manufacture the goods in time for delivery.

Interest income
Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) method.

Dividend income
Dividend income is recognised when the Group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

Export incentives
Export incentives are recognised as income when the 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.

d. Property, plant and equipment (PPE) and depreciation
Recognition and measurement
Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Property, Plant and Equipment not ready for its intended use at the date of Balance Sheet are disclosed as "Capital Work in progress". Such items are classified to specific sections of the Property, Plant and equipment as and when ready for its intended use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognised in restated consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation
Depreciation on items of PPE is provided on the straight-line method, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset Category	Estimated useful life (in years)
Buildings	30
Leasehold improvements	Over the lease period
Plant and equipment	3-20
Furniture	10
Freehold Vehicles	4-10
Freehold Computers	3-6

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

e. Intangible assets and amortisation
Intangible assets acquired separately
Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in restated consolidated statement of profit and loss as incurred.

The intangible assets are amortized over the estimated useful life of the asset, on a straight line basis.

Estimated useful economic life of Intangibles are as follows:

Asset Category	Estimated useful life (in years)
Acquired Software	1 – 6

f. Impairment
Impairment of tangible and intangible assets
The carrying amounts of the Group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the restated consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

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

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

Impairment of property, plant and equipment, intangibles assets and capital work in progress
The Group assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount in the consolidated statement of profit and loss.

g. Inventories

Inventories are measured at the lower of cost and net realisable value. The method of determining cost of various categories of inventories is as follows:

(i) Raw materials – Weighted average cost. Cost includes purchase cost and other attributable expenses
(ii) Stores and spares and packing material – Weighted average cost
(iii) Finished goods and work-in-process - is based on average cost of production or conversion which comprises direct material costs, direct wages and applicable overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

h. Measurement of fair values

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

i. Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), fair value plus transaction costs that are directly attributable to its acquisition or issue, except trade receivables which are measured at transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (“FVOCI”) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the restated consolidated statement of profit and loss. The losses arising from impairment are recognised in the restated consolidated statement of profit and loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the restated consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to restated consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTOCI - Equity investment
On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the Instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the restated consolidated statement of profit and loss.

FVTPL
All financial assets not classified as measured at amortised cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in restated consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in restated consolidated statement of profit and loss. Any gain or loss on derecognition is also recognised in restated consolidated statement of profit and loss.

De-recognition
Financial assets
A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset; or the Group has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Trade Receivables which are subject to a factoring arrangement without recourse are derecognized from the restated consolidated statement of assets and liabilities in its entirety. Under this arrangement, the Group transfers relevant receivables to the factor in exchange for cash and does not retain credit risk

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the restated consolidated statement of assets and liabilities if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments:
Derivatives are initially recognised at fair value on 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 accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are also classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When option contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognised in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

- With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward element of the forward contract are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).

- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). Hedge ineffectiveness is recognised in profit and loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Dividend distribution to equity holders of the Group
The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

j. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. 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. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of

time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the restated consolidated statement of assets and liabilities and lease payments have been classified as financing cash flows.

k. Cash and cash equivalents

Cash and cash equivalent in the restated consolidated statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

l. Government Grants

The Group recognises government grants 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 by deducting the grant from the carrying amount of the asset. Grants related to Income are recognized in restated consolidated statement of profit and loss as other operating revenues.

m. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Eligible employees of the Group receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Group make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary.

Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Group has no further obligation to the plan beyond its monthly contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. These benefits include salaries and wages, bonus and ex-gratia. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Long-term employee benefits

Employee benefits payable after twelve months of receiving employee services are classified as long-term employee benefits. These benefits primarily include one-off retention incentive and long-term bonus provision, in accordance with the policy of the Group. The Group accrues these costs based on the expected payout and the same is amortised over a period of services.

Gratuity

The Group provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Group. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn salary and the tenure of the employment with the Group. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Group gratuity scheme. The Group recognises the net obligation of a defined benefit plan as a liability in its restated consolidated statement of assets and liabilities. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the restated consolidated statement of profit and loss. The net interest on net defined benefit liability which reflects the change in net defined benefit liability that arises from the passage of time is considered as employee cost and disclosed under "Employee benefits expense"

Compensated absences

The Group's policy permits employees to accumulate and carry forward a portion of unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policy. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet.

Share based compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

o. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or

- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

p. Income taxes

Tax expense recognized in the restated consolidated statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Group and all such taxes are recognised in the restated consolidated statement of changes in equity as part of the associated dividend payment.

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to 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 equity shareholders and the weighted average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

s. Operating cycle

As mentioned in para 1 above, the Group is into contract research and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

t. Goods and Service Tax Input credit

Goods and Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

6. Property, plant and equipment

	Freehold land	Buildings	Leasehold improvements	Plant and equipment	Furnitures and fixtures	Vehicles	Computers	Total
Cost or deemed cost								
Balance as at 1 April 2021	166.33	1,785.82	88.90	5,984.09	150.25	55.35	229.57	**8,460.31**
Additions (refer note i below)	-	348.04	80.97	1,431.87	25.20	-	45.17	**1,931.25**
Disposals/retirement	(1.47)	-	(1.12)	(1,096.79)	(41.09)	(3.90)	(55.50)	**(1,199.87)**
Adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2022	**164.86**	**2,133.86**	**168.75**	**6,319.17**	**134.36**	**51.45**	**219.24**	**9,191.69**
Additions (refer note i below)	10.12	502.38	6.78	647.20	6.63	8.76	68.38	**1,250.25**
Disposals/retirement	-	-	(1.24)	(190.69)	(2.62)	-	(0.31)	**(194.86)**
Adjustments (refer note iii below)	-	(22.00)	-	(146.39)	1.69	-	1.22	**(165.48)**
Balance as at 31 March 2023	**174.98**	**2,614.24**	**174.29**	**6,629.29**	**140.06**	**60.21**	**288.53**	**10,081.60**
Additions (refer note i below)	13.65	440.27	3.32	1,667.96	25.69	-	71.38	**2,222.27**
Disposals/retirement	-	-	(8.34)	(0.93)	-	(3.57)	(13.89)	**(26.73)**
Adjustments	-	-	-	6.36	0.34	-	0.22	**6.92**
Balance as at 31 March 2024	**188.63**	**3,054.51**	**169.27**	**8,302.68**	**166.09**	**56.64**	**346.24**	**12,284.06**
Accumulated depreciation								
Balance as at 1 April 2021	**-**	**173.41**	**53.96**	**1,072.82**	**44.98**	**54.79**	**106.37**	**1,506.33**
Charge for the year	-	66.33	9.36	456.90	15.91	0.02	56.44	**604.96**
Disposals/retirement	-	-	(0.03)	(304.38)	(17.38)	(3.91)	(22.93)	**(348.63)**
Balance as at 31 March 2022	**-**	**239.74**	**63.29**	**1,225.34**	**43.51**	**50.90**	**139.88**	**1,762.66**
Charge for the year	-	76.68	12.60	454.77	13.83	0.29	42.63	**600.80**
Disposals/retirement	-	-	(0.85)	(60.36)	(0.66)	-	(0.22)	**(62.09)**
Adjustments	-	-	-	3.29	0.21	-	0.58	**4.08**
Balance as at 31 March 2023	**-**	**316.42**	**75.04**	**1,623.04**	**56.89**	**51.19**	**182.87**	**2,305.45**
Charge for the year	-	97.73	10.70	553.79	16.02	2.23	50.88	**731.35**
Disposals/retirement	-	-	-	(0.23)	-	(3.51)	(13.86)	**(17.60)**
Adjustments	-	-	-	1.07	0.08	-	0.16	**1.31**
Balance as at 31 March 2024	**-**	**414.15**	**85.74**	**2,177.67**	**72.99**	**49.91**	**220.05**	**3,020.51**
Net carrying amount								
As at 31 March 2022	**164.86**	**1,894.12**	**105.46**	**5,093.83**	**90.85**	**0.55**	**79.36**	**7,429.03**
As at 31 March 2023	**174.98**	**2,297.82**	**99.25**	**5,006.25**	**83.17**	**9.02**	**105.66**	**7,776.15**
As at 31 March 2024	**188.63**	**2,640.36**	**83.53**	**6,125.01**	**93.10**	**6.73**	**126.19**	**9,263.55**

Capital work-in-progress :₹1068.95 (31 March 2023: ₹1510.01 and 31 March 2022: ₹1,886.87) (refer note i & ii)

Notes

i) Additions to capital work in progress and property, plant & equipment during the year ended 31 March 2024 includes borrowing cost amounting to ₹18.49 (31 March 2023: ₹28.96 and 31 March 2022: ₹50.27).

ii) Capital work in progress ageing schedule:

As at 31 March 2024

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	671.50	18.70	378.75	-	**1,068.95**
Projects temporarily suspended	-	-	-	-	-
Total	**671.50**	**18.70**	**378.75**	**-**	**1,068.95**

As at 31 March 2023

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	737.46	472.53	242.04	57.98	**1,510.01**
Projects temporarily suspended	-	-	-	-	-
Total	**737.46**	**472.53**	**242.04**	**57.98**	**1,510.01**

As at 31 March 2022

Particulars	**Amount in CWIP for a period of**				
	Less than 1 year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	1,259.33	497.63	92.09	37.82	1,886.87
Projects temporarily suspended	-	-	-	-	-
Total	**1,259.33**	**497.63**	**92.09**	**37.82**	**1,886.87**

Note: As on the date of balance sheet, there are no CWIP whose completion is overdue or has exceeded its cost compared to its original plan.

iii) During the year ended 31 March 2023, the Company received final approval from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200. The Company is of the view that the same will be received in due course and there is no uncertainty on the receipt of the same. The aforesaid subsidy has been disclosed as reduction from the property, plant and equipment. The impact of such subsidy has resulted in reversal of depreciation amounting to ₹. 25.2 during the year ended 31 March 2023 which was previously charged on the assets.

iv) Refer note 19 for details of property, plant and equipment subject to charge on secured borrowings.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

7. Right of use assets

	Leasehold land	Buildings	Vehicles	Plant and equipment	Computers	Total
Cost						
Balance as at 1 April 2021	139.26	800.87	239.99	50.28	90.89	**1,321.29**
Additions during the year	-	1,172.89	70.08	800.25	68.27	**2,111.49**
Disposals/retirement	-	(179.74)	(24.86)	-	(4.61)	**(209.21)**
Adjustments	-	-	-	-	-	**-**
Balance as at 31 March 2022	**139.26**	**1,794.02**	**285.21**	**850.53**	**154.55**	**3,223.57**
Additions during the year	-	17.10	67.05	466.88	14.86	565.89
Disposals/retirement	-	(10.92)	(14.99)	-	-	(25.91)
Adjustments	-	69.07	-	5.51	-	74.58
Balance as at 31 March 2023	**139.26**	**1,869.27**	**337.27**	**1,322.92**	**169.41**	**3,838.13**
Additions during the year	-	24.44	93.34	194.99	0.06	312.83
Disposals/retirement/adjustments	-	-	(30.92)	-	-	(30.92)
Adjustments	-	13.10	-	0.94	-	14.04
Balance as at 31 March 2024	**139.26**	**1,906.81**	**399.69**	**1,518.85**	**169.47**	**4,134.08**
Accumulated depreciation						
Balance as at 1 April 2021	10.41	555.40	190.68	4.48	35.87	796.84
Charge for the year	2.68	153.92	79.18	3.76	24.70	264.24
Disposals/retirement	-	(27.03)	(21.44)	-	-	(48.47)
Adjustments	-	-	-	-	-	-
Balance as at 31 March 2022	**13.09**	**682.29**	**248.42**	**8.24**	**60.57**	**1,012.61**
Charge for the year	2.73	140.24	70.97	95.25	38.60	347.79
Disposals/retirement	-	(7.31)	(13.30)	-	-	(20.61)
Adjustments	-	18.98	-	0.63	-	19.61
Balance as at 31 March 2023	**15.82**	**834.20**	**306.09**	**104.12**	**99.17**	**1,359.40**
Charge for the year	2.65	150.40	71.24	114.76	36.29	375.34
Disposals/retirement/adjustments	-	-	(2.65)	-	-	(2.65)
Adjustments	-	3.76	-	1.10	-	4.86
Balance as at 31 March 2024	**18.47**	**988.36**	**374.68**	**219.98**	**135.46**	**1,736.95**
Net carrying amount						
As at 31 March 2022	**126.17**	**1,111.73**	**36.79**	**842.29**	**93.98**	**2,210.96**
As at 31 March 2023	**123.44**	**1,035.07**	**31.18**	**1,218.80**	**70.24**	**2,478.73**
As at 31 March 2024	**120.79**	**918.45**	**25.01**	**1,298.87**	**34.01**	**2,397.13**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

8. Other intangible assets

	Acquired software	Total
Cost or deemed cost		
Balance as at 1 April 2021	**125.95**	**125.95**
Additions during the year	57.16	57.16
Disposals/retirement	-	-
Balance as at 31 March 2022	**183.11**	**183.11**
Additions during the year	78.56	78.56
Disposals/retirement	-	-
Adjustments	2.63	2.63
Balance as at 31 March 2023	**264.30**	**264.30**
Additions during the year	110.94	110.94
Disposals/retirement	-	-
Adjustments	0.37	0.37
Balance as at 31 March 2024	**375.61**	**375.61**
Accumulated amortization		
Balance as at 1 April 2021	**70.20**	**70.20**
Charge for the year	32.41	32.41
Disposals/retirement	-	-
Balance as at 31 March 2022	**102.61**	**102.61**
Charge for the year	45.73	45.73
Disposals/retirement	-	-
Adjustments	1.63	1.63
Balance as at 31 March 2023	**149.97**	**149.97**
Charge for the year	87.67	87.67
Disposals/retirement	-	-
Adjustments	0.24	0.24
Balance as at 31 March 2024	**237.88**	**237.88**
Net carrying amount		
As at 31 March 2022	**80.50**	**80.50**
As at 31 March 2023	**114.33**	**114.33**
As at 31 March 2024	**137.73**	**137.73**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
9. Investments			
Non-current			
Investment in equity instruments			
Unquoted investments (fully paid)			
at fair value through Other comprehensive income (OCI)			
Jeedimetla Effluent Treatment Limited 500 (31 March 2023: 500 and 31 March 2022: 500) equity shares of ₹100 each fully paid-up	0.05	0.05	0.05
Patancheru Envirotech Limited 10,878 (31 March 2023: 10,878 and 31 March 2022: 10,878) equity shares of ₹10 each fully paid-up	0.11	0.11	0.11
Clean Max Orion Power LLP Contribution of 26% LLP Share (31 March 2023: 26% LLP Share) in Partners capital*	18.52	18.52	-
Total investment in others (at fair value through OCI)	**18.68**	**18.68**	**0.16**
Total non-current investments	**18.68**	**18.68**	**0.16**
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate value of unquoted investments	18.68	18.68	0.16

* During the previous year ended 31 Mar 2023 the Company had invested an amount of ₹ 18.52 in Clean Max Orion Power LLP pursuant to Limited Liability Partnership Agreement. The Company's investment represents 26% ownership of the Clean Max Orion Power LLP and the investment is in accordance with Electricity Act 2003 which stipulates consumer partner (Sai Life) to have atleast 26% ownership in the electricity generating entity. The Company's 26% ownership is purely to meet the regulatory requirement and hence the Company has not consolidated the share of profit or loss in the financials.

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
10. Other financial assets			
Non-current			
Derivative financial asset - Fair Value Through Other Comprehensive Income (FVTOCI)	-	2.22	-
Security deposits - considered good	40.67	24.35	30.52
	40.67	**26.57**	**30.52**
Current			
Security deposits			
(a) Considered good	9.61	29.81	15.99
(b) Considered doubtful	3.39	3.39	3.39
	13.00	33.20	19.38
Less: Provision for doubtful deposits	(3.39)	(3.39)	(3.39)
	9.61	29.81	15.99
Derivative financial asset - FVTOCI	16.08	18.56	24.84
Fixed deposits with financial institutions	400.00	1,350.00	1,000.00
Unbilled revenue *	93.76	127.42	362.72
Incentive receivable under T-IDEA scheme**	220.81	218.67	11.76
Interest accrued but not due on deposits	54.50	40.28	28.44
	794.76	**1,784.74**	**1,443.75**

*Classified as financial asset as right to consideration is unconditional upon passage of time.

**During the year ended 31 March 2023, the Company received final approval under the Telangana Industrial Development and Entrepreneur Advancement (T–IDEA) scheme 2014 from Commissionerate of Industries, Telangana State towards sanction of investment subsidy amounting to ₹. 200.

Additionally, under the above scheme, the Company granted a customised incentive of power cost reimbursement of ₹.1.00 per unit for a period of 10 years starting from August 2020 (being the commencement of commercial production of the expanded facility at Shameerpet, Hyderabad, Telangana). During the year ended 31 March 2022, 31 March 2023 and 31 March 2024, the Company received sanction orders from Commissioner of Industries, Telangana state towards power cost reimbursement amounting to ₹.11.76, ₹.6.91 and ₹.2.14 respectively relating to the period August 2020 to March 2024.

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
11 Deferred tax assets			
Deferred tax assets arising on account of :			
Loss in Subsidiary	131.33	80.62	57.06
	131.33	**80.62**	**57.06**

Movement in deferred tax assets	**1 April 2021**	**Recognized in statement of profit and loss**	**Recognized in OCI**	**As at 31 March 2022**
Deferred tax assets arising on account of :				
Loss in Subsidiary	27.86	29.20	-	57.06
Deferred tax assets, (net)	**27.86**	**29.20**	**-**	**57.06**

Movement in deferred tax assets	**1 April 2022**	**Recognized in statement of profit and loss**	**Recognized in OCI**	**As at 31 March 2023**
Deferred tax asset arising on account of :				
Loss in Subsidiary	57.06	23.56	-	80.62
Deferred tax assets, (net)	**57.06**	**23.56**	**-**	**80.62**

Movement in deferred tax assets	**1 April 2023**	**Recognized in statement of profit and loss**	**Recognized in OCI**	**As at 31 March 2024**
Deferred tax assets arising on account of :				
Loss in Subsidiary	80.62	50.71	-	131.33
Deferred tax assets, (net)	**80.62**	**50.71**	**-**	**131.33**

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
12. Non-current tax assets (net)			
Advance income-tax, net of provision for taxation ₹. 77.57 (31 March 2023 ₹.100.28, 31 March 2022 ₹.94.21)	132.79	76.63	138.12
	132.79	**76.63**	**138.12**

Refer Note 35 for details of income tax expense

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
13. Other assets			
(Unsecured, considered good)			
Non-current			
Capital advances	22.07	61.66	69.85
Prepaid expenses	10.79	10.02	24.15
Export incentive receivable	0.15	-	-
Tax demand paid under protest	43.82	41.95	39.87
Unsecured, Others			
Balances with statutory authorities considered good	32.56	31.63	221.44
Balances with statutory authorities considered doubtful	15.90	15.90	15.90
	48.46	47.53	237.34
Less: Provision for doubtful balances	(15.90)	(15.90)	(15.90)
	32.56	31.63	221.44
	109.39	**145.26**	**355.31**
Current			
Advance to suppliers			
(a) Considered good	51.28	87.88	90.90
(b) Considered doubtful	31.08	17.42	17.42
	82.36	105.30	108.32
Less: Allowance for doubtful advances to suppliers	(31.08)	(17.42)	(17.42)
	51.28	87.88	90.90
Prepaid expenses	212.12	150.76	173.28
Contract assets*	2,968.16	1,650.47	2,101.56
Balances with statutory authorities	397.77	770.71	632.80
Export incentives receivable	1.45	0.15	4.87
Incentives receivable under production linked incentive	-	93.10	-
Advance to employees	1.33	2.52	5.53
	3,632.11	**2,755.59**	**3,008.94**
***Changes in contract assets are as follows**			
Balance at the beginning of the year	1,650.47	2,101.56	2,029.30
Invoices raised that were included in the contract assets balance at the beginning of the year	(1,418.05)	(1,747.15)	(1,519.80)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,735.74	1,296.06	1,592.06
Balance at the end of the year	**2,968.16**	**1,650.47**	**2,101.56**
14. Inventories			
Raw materials and packing materials*	625.47	882.61	753.60
Work-in-progress	214.44	438.77	392.89
Stores and spares	34.52	73.92	122.64
	874.43	**1,395.30**	**1,269.13**

* Value by which inventories have been written down to net realisable value amounted to ₹. Nil (31 March 2023 : ₹.13.13 and 31 March 2022 : ₹.Nil)

Note - The Group has written off inventories amounting to ₹. 292.60 (31 March 2023 : ₹.170.50 and 31 March 2022 ₹.4.75)

Refer note 5(g) for basis of valuation and for details of inventories pledged, refer note 19

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
15. Trade receivables*			
(a) Considered good	2,561.84	2,840.51	2,429.04
(b) Trade receivables which have significant increase in credit risk	132.35	116.22	104.70
	2,694.19	**2,956.73**	**2,533.74**
Less: Allowance for doubtful receivables (Refer Note 38B for the Company's credit risk management process.)	132.35	116.22	104.70
	2,561.84	**2,840.51**	**2,429.04**

* The Company has a factoring arrangement without recourse with one of its bankers ; consequently, the Company has derecognized receivables amounting to ₹. Nil (31 Mar 23 ₹.28.17, 31 Mar 22 ₹.Nil), as it transfers relevant receivables to the factor in exchange for cash and does not retain credit risk.

Trade receivables Aging:
As at 31 March 2024

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,808.42	736.45	7.14	9.83	-	-	2,561.84
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	3.35	9.73	30.43	62.66	26.18	132.35
Total	**1,808.42**	**739.80**	**16.87**	**40.26**	**62.66**	**26.18**	**2,694.19**

As at 31 March 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,863.04	822.73	90.60	64.14	-	-	2,840.51
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	63.49	21.31	31.42	116.22
Total	**1,863.04**	**822.73**	**90.60**	**127.63**	**21.31**	**31.42**	**2,956.73**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

15. Trade receivables (continued)
As at 31 March 2022

Particulars	Not Due	Outstanding for following periods from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,774.29	562.96	57.00	34.79	-	-	2,429.04
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	27.40	24.96	52.34	104.70
Total	**1,774.29**	**562.96**	**57.00**	**62.19**	**24.96**	**52.34**	**2,533.74**

16. Cash and cash equivalents and other bank balances

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(i) Cash and cash equivalents			
Cash on hand	0.12	0.28	0.12
Balances with banks			
-in current accounts	143.60	78.25	592.67
-in Cash credit account	92.85	320.59	566.60
-in deposits account	-	300.00	-
	236.57	**699.12**	**1,159.39**
(ii) Bank balances other than above			
-margin money/deposit	141.43	164.24	143.52
-in deposits account	1,210.00	-	-
	1,351.43	**164.24**	**143.52**

(iii) For the purpose of statement of cash flows, cash and cash equivalents comprise of following:

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents (as per (i) above)	236.57	699.12	1,159.40
Overdraft facilities (refer note 19)	(116.88)	(343.83)	(1.65)
	119.69	**355.29**	**1,157.75**

17. Equity share capital

i. Authorised share capital

	As at 31 March 2024 Number	Amount	As at 31 March 2023 Number	Amount	As at 31 March 2022 Number	Amount
Equity shares of ₹10 each	2,03,00,000	203.00	2,03,00,000	203.00	2,03,00,000	203.00
Optionally convertible preference shares of ₹10 each	6,00,000	6.00	6,00,000	6.00	6,00,000	6.00
Compulsorily convertible preference shares of ₹10 each	5,00,000	5.00	5,00,000	5.00	5,00,000	5.00
	2,14,00,000	**214.00**	**2,14,00,000**	**214.00**	**2,14,00,000**	**214.00**

ii. Issued, subscribed and fully paid up

	As at 31 March 2024 Number	Amount	As at 31 March 2023 Number	Amount	As at 31 March 2022 Number	Amount
Equity shares of ₹10 each	1,76,63,034	176.63	1,76,22,556	176.23	1,75,56,306	175.56
	1,76,63,034	**176.63**	**1,76,22,556**	**176.23**	**1,75,56,306**	**175.56**

iii. Party paid up preference shares

	As at 31 March 2024 Number	Amount	As at 31 March 2023 Number	Amount	As at 31 March 2022 Number	Amount
Compulsorily convertible preference shares of ₹ 10 each (partly paid ₹.8.06 each)	4,80,000	3.87	4,80,000	3.87	4,80,000	3.87
	4,80,000	**3.87**	**4,80,000**	**3.87**	**4,80,000.00**	**3.87**

iv. Reconciliation of number of equity shares outstanding at the beginning and end of the year

	As at 31 March 2024 Number	Amount	As at 31 March 2023 Number	Amount	As at 31 March 2022 Number	Amount
Equity shares						
Balance at the beginning of the year	1,76,22,556	176.23	1,75,56,306	175.56	1,74,29,579	174.29
Add: Shares issued during the year	40,478	0.40	66,250	0.67	1,26,727	1.27
Balance at the end of the year	**1,76,63,034**	**176.63**	**1,76,22,556**	**176.23**	**1,75,56,306**	**175.56**

	As at 31 March 2024 Number	Amount	As at 31 March 2023 Number	Amount	As at 31 March 2022 Number	Amount
Partly paid up preference shares						
Balance at the beginning of the year	4,80,000	3.87	4,80,000	3.87	4,80,000	3.87
Add: Shares issued during the year-CCPS	-	-	-	-	-	-
Balance at the end of the year	**4,80,000**	**3.87**	**4,80,000**	**3.87**	**4,80,000**	**3.87**
	1,81,43,034	**180.50**	**1,81,02,556**	**180.10**	**1,80,36,306**	**179.43**

v. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

vi. Rights, preferences and restrictions attached to preference shares

The Company has two classes of preference shares viz, Compulsorily convertible preference shares(CCPS) (Rs. 3.87 million) and 'Optionally convertible preference shares (OCPS) (Rs. 4.80 million). The said shares are partly paid to the tune of ₹.8.06 per share and the same will be treated as fully paid-up upon receiving the payment on final call for ₹.1.94 per share as and when made. Each CCPS and OCPS will be converted into 1 fully paid up equity share of ₹.10 each upon payment of uncalled portion of the said shares of ₹.1.94 with a premium of ₹.242.60. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time on a non-cumulative basis. OCPS will be converted into equity shares of the Company upon the Company meeting the certain performance milestones.

vii. Warrants convertible into equity shares

Based on the approval of the members taken in the Shareholders meeting dated 11 June 2019, the Company has made allotment of 50,000 Share Warrants which are convertible into equity share in the ratio of 1:1 at a price of ₹1,910 per share. These warrants are equally vested over a period of 4 years ending on 19 October 2023. These warrants are not exercised as on 31 March 2024.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

17. Equity share capital (continued)

viii. Details of shareholders holding more than 5% equity shares in the Company

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
Name of the equity shareholders	**Number**	**% holding**	**Number**	**% holding**	**Number**	**% holding**
TPG ASIA VII SF PTE LTD	76,20,180	43.14%	76,20,180	43.24%	76,20,180	43.40%
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.09%	17,82,378	10.11%	17,82,378	10.15%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.46%	11,40,729	6.47%	11,40,729	6.50%
Sai Quest Syn Private Limited	10,68,748	6.05%	10,68,748	6.06%	10,68,748	6.09%
HBM Private Equity India	10,55,732	5.98%	10,55,732	5.99%	10,55,732	6.01%
G. Subba Raju	9,38,730	5.31%	9,38,730	5.33%	9,38,730	5.35%

ix. Details of shares held by the promoters and promoter group:

	As at 31 March 2024		As at 31 March 2023			As at 31 March 2022		
Name of the promoters	**Number**	**% holding**	**Number**	**% holding**	**% Change in holding**	**Number**	**% holding**	**% Change in holding**
Marigold Partners (represented by Kanumuri Mytreyi)	17,82,378	10.09%	17,82,378	10.11%	-0.02%	17,82,378	10.15%	-0.04%
Sunflower Partners (represented by Kanumuri Ranga Raju)	11,40,729	6.46%	11,40,729	6.47%	-0.01%	11,40,729	6.50%	-0.03%
Sai Quest Syn Private Limited	10,68,748	6.05%	10,68,748	6.06%	-0.01%	10,68,748	6.09%	-0.03%
Tulip Partners (represented by Kanumuri Mytreyi)	7,42,262	4.20%	7,42,262	4.21%	-0.01%	7,42,262	4.23%	-0.02%
Lily Partners (represented by Kanumuri Ranga Raju)	5,10,499	2.89%	5,10,499	2.90%	-0.01%	5,10,499	2.91%	-0.01%
Kanumuri Krishnam Raju	2,95,000	1.67%	2,95,000	1.67%	0.00%	2,95,000	1.68%	-0.01%
Kanumuri Ranga Raju	14,000	0.08%	14,000	0.08%	0.00%	-	0.00%	0.08%
Kanumuri Mytreyi	6,000	0.03%	6,000	0.03%	0.00%	-	0.00%	0.03%
Promoters (A)	**55,59,616**		**55,59,616**			**55,39,616**		
Gokaraju Subba Raju	9,38,730	5.31%	9,38,730	5.33%	-0.02%	9,38,730	5.35%	-0.02%
Gokaraju Lakshmi Tanuja	1,30,121	0.74%	1,30,121	0.74%	0.00%	1,30,121	0.74%	0.00%
Kanumuri Sudha	50,000	0.28%	50,000	0.28%	0.00%	50,000	0.28%	0.00%
Continental Wines Pvt Ltd	1,967	0.01%	1,967	0.01%	0.00%	1,967	0.01%	0.00%
Promoter Group (B)	**11,20,818**		**11,20,818**			**11,20,818**		
Total (A+B)	**66,80,434**		**66,80,434**			**66,60,434**		

x. Details of shareholders holding more than 5% preference shares CCPS in the Company

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
Name of the Preference shareholders & promoters	**Number**	**% holding**	**Number**	**% holding**	**Number**	**% holding**
Marigold Partners (represented by Kanumuri Mytreyi)	1,68,134	35.03%	1,68,134	35.03%	1,68,134	35.03%
Sunflower Partners (represented by Kanumuri Ranga Raju)	1,67,866	34.97%	1,67,866	34.97%	1,67,866	34.97%
Tulip Partners (represented by Kanumuri Mytreyi)	72,058	15.01%	72,058	15.01%	72,058	15.01%
Lily Partners (represented by Kanumuri Ranga Raju)	71,942	14.99%	71,942	14.99%	71,942	14.99%

The rate of dividend is 0.001% p.a. on a non-cumulative basis for Compulsorily Convertible Preference Shares (CCPS) and Optionally Convertible Preference Shares (OCPS) of Rs. 10/- each. The Board of Directors of the Company approved dividend payout of not more than Rs.100 per share on the CCPS and OCPS of Rs.10/- each in their meeting on 20-June-2022.
The Board of Directors of the Company declared an interim dividend of Rs. 34.5 Million (Rs. 39.63 per preference share) during their meeting on June 20, 2022, for the financial year ended March 31, 2022. Further, interim dividend of Rs. 34.5 Million, (Rs. 39.63 per preference share) was paid for the financial year ended March 31, 2023, based on the approval of the Board of Directors in their meeting held on November 30, 2022.

xi Shares reserved for issue under options

(a) Employee stock option plan - 2004 ("ESOP 2004")

The Company established a plan ESOP 2004 under which 300,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Extraordinary General Meeting held on 13 September 2004. These options shall vest at the end of three years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Employee stock option plan - 2006 ("ESOP 2006")

The Company established a plan ESOP 2006 under which 350,000 equity shares of ₹10 each were earmarked and approved by the Shareholders at the Annual General Meeting held on 16 August 2006. 60% of the options granted shall vest at the end of three years from the grant date and 40% of the options granted shall vest at the end of five years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.

Sai Employee stock option scheme - 2008 ("SESOS 2008")

The Company established a plan SESOS approved by the Shareholders at the Annual and Extraordinary General Meetings held on 11 September 2008 and 30 March 2009 respectively. As per the scheme, maximum number of employee stock options are restricted to 10% of paid up share capital of the Company. Out of which, 50% of the options granted shall vest at the end of two years from the grant date and the balance 50% of the options shall vest at the end of four years from the grant date. The vested options can be exercised by the employee during his term of employment with the Company.
Under this scheme, the company granted additional employee stock options approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

Management ESOP scheme - 2018 ("MES 2018")

The Company established a plan MES 2018 approved by the Shareholders at the Extraordinary General Meeting held on 25 July 2018. As per the scheme maximum number of shares reserved under this scheme is 4% of the paid up equity capital of the Company on a fully diluted basis as on the Effective Date. The options granted shall vest 20% at the end of every year from the grant date for a period of 5 years. The vested options can be exercised by the employee during his term of employment with the Company.

The Company amended the plan MES 2018 and ESOP 2008 approved by the Shareholders at the Extraordinary General Meeting held on 25 March 2022 and 9 June 2023.
The terms of the above schemes provide that each option entitles the holder to one equity share of ₹10 each and that the options can be settled only by way of issue of equity shares. The options granted are entirely time-based for ESOP 2004, ESOP 2006, SESOS 2008 MES 2018 and Amended MES 2018 is time and performance based

(b) During the year ended 31 March 2024, the Company had incurred stock compensation cost of ₹.22.53 (31 March 2023: ₹8.14, 31 March 2022: ₹2.21) towards the above schemes.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

17. Equity share capital (continued)

(c) Stock options activity is as follows:

Under ESOP 2004 plan	No. of options As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	2,000	2,000	2,000
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	(2,000)	-	-
Outstanding at the end of the year	-	2,000	2,000
Weighted average exercise price (₹)	30	30	30
Exercisable at the end of the year	-	2,000	2,000

Under ESOP 2006 plan	No. of options As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	-	-	49
Granted during the year	-	-	-
Forfeited during the year	-	-	-
Exercised during the year	-	-	(49)
Outstanding at the end of the year	-	-	-
Weighted average exercise price (₹)	-	-	45
Exercisable at the end of the year	-	-	-

Under SESOS 2008 scheme	No. of options As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	2,19,250	2,79,250	4,07,000
Granted during the year	1,48,000	-	-
Forfeited during the year	-	-	(11,250)
Exercised during the year	(35,014)	(60,000)	(1,16,500)
Outstanding at the end of the year	3,32,236	2,19,250	2,79,250
Weighted average exercise price (in Rupees)	986.74	243.88	237.82
Exercisable at the end of the year	1,82,236	1,89,000	2,20,750

Under MES 2018 scheme	No. of options As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Outstanding at the beginning of the year	5,86,375	5,21,750	6,16,000
Granted during the year	-	1,30,000	1,50,000
Forfeited/Lapsed during the year	(1,35,519)	(65,375)	(2,40,322)
Exercised during the year	(3,464)	-	(3,928)
Outstanding at the end of the year	4,47,392	5,86,375	5,21,750
Weighted average exercise price (in Rupees)	1,310.18	1,304.52	1,273.00
Exercisable at the end of the year	1,97,392	1,60,375	1,14,750

(d) The fair value of options is estimated at the grant date using the Black-Scholes option pricing model with the following assumptions:

	As at 31 March 2024		As at 31 March 2023	As at 31 March 2022
	SESOS 2008	**SESOS 2008**	**MES 2018**	**MES 2018**
Date of grant	**7-Dec-23 & 20-Feb-24**	**19-Jun-23 & 13-Sep-23**	**18-July-22 & 17-Aug-22**	**25-Mar-22**
Risk-free interest rate	7.21%	7.32%	7.18%	7.00%
Expected life (in years)	5	5	5	5
Expected volatility	33.00%	33.00%	16.18%	16.70%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%

xii. During the period of five years immediately preceding the balance sheet date, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
18. Other equity			
Securities premium (Note a)	3,891.55	3,875.80	3,855.56
Capital reserve (Note b)	8.07	8.07	8.07
Employee stock options outstanding account (Note c)	106.10	94.76	87.20
Retained earnings (Note d)	5,534.21	4,695.62	4,640.85
Cash flow hedge reserve (Note e)	(17.92)	(12.02)	(3.26)
Foreign currency translation reserve (Note f)	48.93	38.60	17.80
	9,570.94	**8,700.83**	**8,606.22**

Nature and purpose of reserves

(a) Securities premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. During the year ended 31 March 2024, 31 March 2023 and 31 March 2022, the Company issued 40,478, 66,250 and 1,26,727 equity shares respectively.

(b) Capital reserve

Capital reserve pertains to the excess of net assets taken, over the cost of consideration paid pursuant to amalgamation of Advantium Pharma Private Limited with the Company in the earlier years and on forfeiture of certain share warrants issued in the earlier years. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

(c) Employee stock options outstanding account

Employee stock options outstanding account relates to share options granted by the Parent to its employees under its employee share option plan. These will be transfer to Equity and Security premium after exercise of the underlying options.

(d) Retained earnings

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

(e) Cash flow hedge reserve

Cash flow hedge reserve represents effective portion of cash flow hedges taken to Other comprehensive income.

(f) Foreign currency translation reserve

Foreign currency translation reserve represents the exchange differences accumulated when the financial statements of foreign operations are converted from their functional currency to presentation currency of the Parent.

Movement in other equity	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
i) Securities premium			
Balance at the beginning of the year	3,875.80	3,855.56	3,825.58
Add: Amount on account of shares issued	15.75	20.24	29.98
Balance at the end of the year	**3,891.55**	**3,875.80**	**3,855.56**
ii) Capital reserve			
Balance at the beginning of the year	8.07	8.07	8.07
Add: Changes during the year	-	-	-
Balance at the end of the year	**8.07**	**8.07**	**8.07**
iii) Employee stock options outstanding account			
Balance at the beginning of the year	94.76	87.20	70.61
Amount transferred on forfeiture of employee stock options	(4.71)	(0.58)	(5.82)
Amount transferred on exercise of employee stock options	(6.48)	-	-
Share-based payment expense	22.53	8.14	22.41
Balance at the end of the year	**106.10**	**94.76**	**87.20**
iv) Retained earnings			
Balance at the beginning of the year	4,695.62	4,640.85	4,560.91
Re-measurement of defined benefit obligation (net of tax)	5.79	23.30	11.86
Amount transferred on exercise/forfeiture of employee stock options	4.71	0.58	5.82
Dividend paid	-	(69.00)	-
Profit for the year	828.09	99.89	62.26
Balance at the end of the year	**5,534.21**	**4,695.62**	**4,640.85**
v) Cash flow hedge reserve			
Balance at the beginning of the year	(12.02)	(3.26)	(16.09)
Effective portion of cash flow hedges (net of tax)	(5.90)	(8.76)	12.83
Balance at the end of the year	**(17.92)**	**(12.02)**	**(3.26)**
vi) Foreign currency translation reserve			
Balance at the beginning of the year	38.60	17.80	2.27
Movement during the year (net of tax)	10.33	20.80	15.53
Balance at the end of the year	**48.93**	**38.60**	**17.80**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
19. Borrowings			
Non-current			
(Secured - at amortized cost)			
Term loans			
From banks [refer note (i) to (xiii)]	3,358.59	3,272.64	3,472.59
	3,358.59	**3,272.64**	**3,472.59**
Less: Current maturities of long-term loans	586.13	662.95	500.88
	2,772.46	**2,609.69**	**2,971.71**

Terms and conditions of loans and nature of security

(i)	Loan 1, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all net current assets both present and future of the Company. This loan carries interest rate of 6 months MCLR +0.55% and is repayable in unequal quarterly instalment commencing from June 2023 with last instalment falling due in March 2030.	894.99	994.65	695.88
(ii)	Loan 2, Common Covid Emergency Credit Line (CCECL) secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate equal to 6 months MCLR per annum + 1% with monthly rests and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in April 2026.	93.69	140.67	187.58
(iii)	Loan 3, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1 year MCLR + 2.75 % Spread per annuum and is repayable in unequal quarterly instalment commencing from September 2017 with last instalment falling due in March 2024.	-	97.28	187.50
(iv)	Loan 4, Term loans (USD denominated) secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. These loans carry interest overnight secured overnight financing rate (O/N SOFR (compounded) + 276 bps (non-compounded) p.a., on the outstanding USD notional, monthly) and are repayable in unequal quarterly instalments commencing from July 2017 with the last instalment falling due in March 2025.	18.67	36.53	55.14
(v)	Loan 5, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of MCLR OD 1 Year + 0.15% per annum and was repayable in unequal quarterly instalments commencing from December 2017 and the last repayment falling due in March 2025.	8.55	17.08	26.29
(vi)	Loan 6, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 7.5% Financial Benchmark India Limited (FBIL) O/N Mumbai interbank offer rate (MIBOR) (not compounded) + 305 bps (not compounded) on the outstanding ₹ Notional amount, monthly and was repayable in unequal quarterly instalments commencing from March 2022 and the last repayment falling due in December 2028.	562.50	637.50	712.50
(vii)	Loan 7, Term loan (USD denominated) secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of USD3M LIBOR + 3.25% p.a and is repayable in quarterly instalments commencing from November 2019 with the last instalment falling in August 2023.	-	52.19	144.41
(viii)	Loan 8, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried interest rate of 3 Months MCLR + 0.15% per annum and was repayable in unequal quarterly instalments commencing from November 2022 and the last repayment falling due in August 2027.	615.13	707.82	750.00
(ix)	Loan 9, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 1 year MCLR + Spread of 1.05% p.a and was repayable in unequal quarterly instalments commencing from July 2021 and the last repayment falling due in April 2026.	281.25	393.75	462.50
(x)	Loan 10, Working capital Term loan facility under Guaranteed Emergency Credit Line secured by way of pari passu second charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 3m T-bill Rate + 3.6% Spread p.a and was repayable in equal Monthly instalments commencing from March 2021 and the last repayment falling due in March 2026.	66.99	101.94	136.89
(xi)	Loan 11, Working capital Term loan facility under Guaranteed Emergency Credit Line secured by way of pari passu First Charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carries interest rate of 1Y MCLR+0.15% which ever is lower and was repayable in equal Monthly instalments commencing from April 2022 and the last repayment falling due in March 2026.	67.62	93.23	113.90
(xii)	Loan 12, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried 3m T-bill Rate + 1.40% spread and was repayable in equal quarterly instalments commencing from Sept 2025 and the last repayment falling due in June 2030.	499.50	-	-
(xiii)	Loan 13, Term loan secured by way of pari passu first charge on all property, plant and equipment including other intangible assets both present and future including equitable mortgage of the properties of the Company and pari passu second charge on all current assets both present and future of the Company. This loan carried Repo + Spread of 1.85% p.a and was repayable in equal quarterly instalments commencing from Sep 2025 and the last repayment falling due in June 2030.	249.70	-	-
		3,358.59	**3,272.64**	**3,472.59**

(xv) The Company has used the borrowings for the purposes for which it was taken.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

19. Borrowings (continued)	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Short term borrowings			
(Secured - at amortized cost)			
Working capital loans from banks*	3,436.96	3,555.95	3,702.64
Current maturities of long-term loans	586.13	662.95	500.88
Working capital loans repayable on demand - Buyers credit facility	306.08	163.70	337.95
	4,329.17	**4,382.60**	**4,541.47**
* Includes overdraft facilities classified as cash & cash equivalents for the purpose of cash flow statement (refer note 16(iii))	(116.88)	(343.83)	(1.65)

Note: The above borrowings are secured by way of hypothecation of the Company's goods, book debts, movables and other assets. Interest rate ranges between 7.5% to 9.5% p.a and the loans are revolving on an annual basis.

The quarterly returns of current assets filed by the Company with banks are in agreement with books of accounts.

Reconciliation between the opening and closing balances in balance sheet for financial liabilities arising from financing activities are given below:

Particulars	As at 31 March 2023	Net Proceeds/ (Repayments)	Non cash changes*	As at 31 March 2024
Non-current borrowings (including current maturities)	3,272.64	82.72	3.23	3,358.59
Current borrowings (excluding overdraft facilities)	3,375.81	248.93	1.42	3,626.16
Total	**6,648.45**	**331.65**	**4.65**	**6,984.75**

* Non cash changes includes foreign exchange changes of ₹ 3.44.

Particulars	As at 31 March 2022	Net Proceeds/ (Repayments)	Non cash changes*	As at 31 March 2023
Non-current borrowings (including current maturities)	3,472.59	(232.76)	32.81	3,272.64
Current borrowings (excluding overdraft facilities)	4,038.94	(664.36)	1.23	3,375.81
Total	**7,511.53**	**(897.12)**	**34.04**	**6,648.45**

* Non cash changes includes foreign exchange changes of ₹ 32.55.

Particulars	As at 31 March 2021	Net Proceeds/ (Repayments)	Non cash changes*	As at 31 March 2022
Non-current borrowings (including current maturities)	2,787.35	685.24	-	3,472.59
Current borrowings (excluding overdraft facilities)	3,318.35	739.39	(18.80)	4,038.94
Total	**6,105.70**	**1,424.63**	**(18.80)**	**7,511.53**

* Non cash changes includes foreign exchange changes of ₹ (20.50).

20. Lease liabilities *	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current	1,757.21	1,957.97	1,895.66
Current	417.76	373.49	245.61
	2,174.97	**2,331.46**	**2,141.27**

*Refer note 45

21. Other financial liabilities			
Non-current			
Optionally convertible preference shares pursuant to Scheme of Arrangement (refer note 17(vi))	4.80	4.80	4.80
Derivative liabilities - FVTOCI	8.53	32.47	23.21
	13.33	**37.27**	**28.01**
Current			
Interest accrued but not due on borrowings	16.58	13.77	11.20
Capital creditors (refer note (b) below)	273.81	214.02	81.25
Derivative liabilities - FVTOCI	27.14	-	1.20
	317.53	**227.79**	**93.65**

a) Details of shareholders holding more than 5% Optionally convertible preference shares (OCPS)

	As at 31 March 2024		As at 31 March 2023		As at 31 March 2022	
Name of the Preference shareholders & promoters	**Number**	**% holding**	**Number**	**% holding**	**Number**	**% holding**
Marigold Partners (represented by Kanumuri Mytreyi)	2,10,168	35.03%	2,10,168	35.03%	2,10,168	35.03%
Sunflower Partners (represented by Kanumuri Ranga Raju)	2,09,832	34.97%	2,09,832	34.97%	2,09,832	34.97%
Tulip Partners (represented by Kanumuri Mytreyi)	90,072	15.01%	90,072	15.01%	90,072	15.01%
Lily Partners (represented by Kanumuri Ranga Raju)	89,928	14.99%	89,928	14.99%	89,928	14.99%

b) Capital creditors include outstanding dues of micro enterprises and small enterprises to the extent of ₹61.16 (31 March 2023: ₹ 50.30, 31 March 2022: ₹ 12.34) (refer note 44)

22. Provisions	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Non-current			
Gratuity	142.83	123.12	139.61
Compensated absences	52.40	43.64	49.70
	195.23	**166.76**	**189.31**
Current			
Gratuity	43.05	38.81	29.49
Compensated absences	40.67	33.21	29.77
	83.72	**72.02**	**59.26**

Employee benefits

The Company has the following post -employment benefits plans:

(a) Defined contribution plan

The following amount has been recognised as an expense in statement of profit and loss account of provident fund and other funds. There are no other obligations other than the contribution payable to the respective authorities

Contribution to provident fund	86.98	74.61	66.47
Contribution to employees state insurance schemes	0.19	0.38	0.54
	87.17	**74.99**	**67.01**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

22. Provisions (continued)

(b) Gratuity

The Company provides its employees with benefits under a defined benefit plan, referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 day's last drawn salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit/death/disablement, restricted to a sum of ₹ 2.00 in accordance with Payment of Gratuity Act, 1972.This defined benefit plan exposes the company to actuarial risk such as longevity, interest rate risk and market risk & inflation risk.

(i) Change in defined benefit obligation	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Defined benefit obligation at the beginning of the year	161.93	169.10	164.48
Current service cost	39.43	41.22	38.57
Interest cost	10.95	9.32	8.61
Actuarial (gain)/loss on obligation			
Loss from change in demographic assumptions	-	(4.41)	-
Loss/(gain) from change in financial assumptions	(4.68)	(11.95)	(2.20)
Loss/(gain) on account of experience adjustments	(3.03)	(14.77)	(13.65)
Benefits paid	(18.72)	(26.58)	(26.71)
Defined benefit obligation at the end of the year	**185.88**	**161.93**	**169.10**

(iii) Expense recognised in the statement of profit and loss			
Included under finance cost			
Interest cost	10.95	9.32	8.61
Service cost	39.43	41.22	38.57
Net gratuity costs	**50.38**	**50.54**	**47.18**

(iv) Expense recognised in other comprehensive income			
Recognised net actuarial loss/(gain)	(7.71)	(31.13)	(15.86)
	(7.71)	**(31.13)**	**(15.86)**

(v) Key actuarial assumptions			
Discount rate	7.10%	7.18%	5.98%
Salary escalation rate	8.00%	9.00%	10.00%
Expected average remaining service	3.09	3.09	3.86
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition rate	24.00%	24.00%	20.00%
Retirement age-years	58	58	58

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of these changes is not ascertained to be material by the management.

(vi) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have resulted in the benefit obligation being as follows:

Particulars	**As at 31 March 2024**		**As at 31 March 2023**		**As at 31 March 2022**	
	Increase	Decrease	Increase in rate	Decrease in rate	Increase in rate	Decrease in rate
Discount rate (+ / - 1% movement)	179.83	192.38	156.56	167.72	161.69	177.22
Salary escalation rate (+ / - 1% movement)	191.11	180.89	166.49	157.60	175.75	162.84

Maturity profile of the defined benefit obligation

Expected cash flows over the next :	**31 March 2024**	**31 March 2023**	**31 March 2022**
1 year	43.08	38.81	29.49
2 - 5 years	114.03	97.30	88.90
6 - 10 years	62.47	55.51	65.75

The weighted average duration of the defined benefit obligation as at 31 March 2024 is 2.78 years (As at 31 March 2023: 2.79 years and 31 March 2022: 3.51 years)

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service years. During the year ended 31 March 2024, the Group has incurred an expense on compensated absences amounting to ₹ 31.46 (31 March 2023 : ₹ 31.07). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

23. Deferred tax liabilities (net)

	As at 31 March 2024	**As at 31 March 2023**	**As at 31 March 2022**
Deferred tax liabilities (assets) arising on account of :			
Property, plant and equipment	591.50	548.70	491.26
Contract assets	321.42	145.99	216.13
Lease liabilities	(396.18)	(441.76)	(379.29)
ROU assets	461.11	465.00	393.85
Other non-current assets / financial liabilities	-	(0.31)	0.33
Provision for employee benefits	(68.99)	(60.10)	(62.56)
Provision for trade receivables and advances	(41.03)	(33.25)	(30.36)
Derivative instruments - FVTOCI	(5.03)	2.84	(1.21)
Others	(0.14)	(1.77)	(2.16)
Deferred tax liabilities (net)	**862.66**	**625.34**	**625.99**

Movement in deferred tax assets/deferred tax liabilities:	**1 April 2021**	**Recognized in statement of profit and loss**	**Recognized in OCI**	**31 March 2022**
Deferred tax liabilities arising on account of :				
Property, plant and equipment	469.77	21.49	-	491.26
Contract assets	263.56	(47.43)	-	216.13
Right of use assets	108.14	285.71	-	393.85
Other non-current assets / financial liabilities	3.13	(2.80)	-	0.33
Deferred tax assets arising on account of :				
Lease liabilities	(75.95)	(303.34)	-	(379.29)
Provision for employee benefits	(62.23)	(4.32)	3.99	(62.56)
Provision for trade receivables and advances	(20.39)	(9.97)	-	(30.36)
Derivative instruments - FVTOCI	(10.75)	-	9.54	(1.21)
Others	1.34	(3.50)	-	(2.16)
	676.62	**(64.16)**	**13.53**	**625.99**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

23. Deferred tax liabilities (net) (continued)

Movement in deferred tax assets/deferred tax liabilities:

	1 April 2022	Recognized in statement of profit and loss	Recognized in OCI	31 March 2023
Deferred tax liabilities arising on account of :				
Property, plant and equipment	491.26	57.44	-	548.70
Contract assets	216.13	(70.14)	-	145.99
Right of use assets	393.85	71.15	-	465.00
Other non-current assets / financial liabilities	0.33	(0.64)	-	(0.31)
Deferred tax assets arising on account of :				
Lease liabilities	(379.29)	(62.47)	-	(441.76)
Provision for employee benefits	(62.56)	(5.37)	7.83	(60.10)
Provision for trade receivables and advances	(30.36)	(2.89)	-	(33.25)
Derivative instruments - FVTOCI	(1.21)	-	4.06	2.84
Others	(2.16)	0.39	-	(1.77)
	625.99	(12.53)	11.89	625.34

Movement in deferred tax assets/deferred tax liabilities:

	1 April 2023	Recognized in statement of profit and loss	Recognized in OCI	31 March 2024
Deferred tax liabilities arising on account of :				
Property, plant and equipment	548.70	42.80	-	591.50
Contract assets	145.99	175.43	-	321.42
Right of use assets	465.00	(3.89)	-	461.11
Other non-current assets / financial liabilities	(0.31)	0.31	-	-
Deferred tax assets arising on account of :				
Lease liabilities	(441.76)	45.58	-	(396.18)
Provision for employee benefits	(60.10)	(10.81)	1.92	(68.99)
Provision for trade receivables and advances	(33.25)	(7.78)	-	(41.03)
Derivative instruments - FVTOCI	2.84	(5.88)	(1.99)	(5.03)
Others	(1.77)	1.63	-	(0.14)
	625.34	237.39	(0.07)	862.66

24. Trade payables

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
(A) Total outstanding dues of micro enterprises and small enterprises (Refer note 44)	90.07	80.90	122.14
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,903.98	2,008.56	1,869.91
	1,994.05	2,089.46	1,992.05

* Includes amount payable to related parties - Refer note 40

For the year ended 31 March 2024

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i). MSME	74.98	8.09	7.00	-	-	90.07
(ii) Others	1,265.57	353.64	70.04	20.00	0.30	1,709.55
(v). Unbilled Dues	194.43	-	-	-	-	194.43
Total	1,534.98	361.73	77.04	20.00	0.30	1,994.05

For the year ended 31 March 2023

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i). MSME	60.75	14.30	5.85	-	-	80.90
(ii) Others	1,158.37	622.22	79.83	27.17	0.67	1,888.26
(v). Unbilled Dues	120.30	-	-	-	-	120.30
Total	1,339.42	636.52	85.68	27.17	0.67	2,089.46

For the year ended 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i). MSME	61.76	60.02	0.36	-	-	122.14
(ii) Others	715.51	1,007.14	55.23	0.51	9.14	1,787.53
(v). Unbilled Dues	82.38	-	-	-	-	82.38
Total	859.65	1,067.16	55.59	0.51	9.14	1,992.05

25. Other liabilities

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Current			
Advance from customers	96.67	291.74	112.00
Payable to statutory authorities	160.13	117.75	76.26
	256.80	409.49	188.26

26. Current tax liabilities (net)

Provision for income tax, net of advance tax ₹.Nil (31 Mar 23 ₹.66.61, 31 Mar 23 ₹.68.54)	-	33.67	25.67
	-	33.67	25.67

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
27.	**Revenue from operations**			
	Revenue from contract research, development and manufacturing activities	14,687.23	11,969.49	8,691.24
	Other operating income			
	Income from export incentives (RODTEP)	1.45	-	4.69
	Income under production linked incentive*	(36.90)	201.90	-
		14,651.78	**12,171.39**	**8,695.93**

*Government of India has launched Production Linked Incentive Scheme (PLI) for Pharmaceuticals industry on 03 March 2021 to enhance India's manufacturing capabilities by increasing investment and production in the sector and contributing to product diversification to high value goods in the pharmaceutical sector. The Company's application for a PLI incentive of ₹. 201.90 during the financials year 2022-23 got approved in the current year. The DOP issued a revision restricting the outlay in year 1 to extent of 33% of the overall scheme amount of ₹.500 i.e. ₹.165.00 and accordingly, the Company has reversed production linked incentive of ₹. 36.90.

Disaggregation of revenues from contract research, development and manufacturing activities :

Particulars			
Contract Development and Manufacturing	9,715.53	7,298.30	5,953.96
Contract Research	4,971.70	4,671.19	2,737.28
Total	**14,687.23**	**11,969.49**	**8,691.24**

Reconciliation of Revenue from operations with contract price (excluding Other Operating Income) :

Particulars			
Contract price	14,709.31	11,969.49	8,693.21
Less : adjustment made to contract price on account of			
Sales return	(22.08)	-	(1.97)
Total	**14,687.23**	**11,969.49**	**8,691.24**

Disaggregation of revenue from contract research, development and manufacturing activities into over time and at a point in time :

Timing of recognition			
At a point in time	5,617.17	5,239.20	3,596.58
Over time	9,070.06	6,730.29	5,094.66
Total	**14,687.23**	**11,969.49**	**8,691.24**

28.	**Other income**			
	Interest income from deposits	135.97	94.17	67.48
	Interest income on financial assets at amortised cost	-	0.77	3.02
	Foreign exchange gain (net)	146.26	173.02	97.84
	Interest on income tax refund	-	11.70	-
	Profit on sale of property, plant and equipment	0.10	-	113.14
	Other incomes	8.58	-	-
		290.91	**279.66**	**281.48**
29.	**Cost of material, chemicals & reagents consumed**			
	Raw material and packing material at the beginning of the year	882.61	763.21	299.76
	Add: Purchases/adjustments	3,975.83	4,391.15	3,149.75
	Less: Raw material and packing material at the end of the year	(625.47)	(882.61)	(753.60)
		4,232.97	**4,271.75**	**2,695.91**
30.	**Changes in inventories of work-in-progress**			
	Opening balance			
	- Work-in-progress	438.77	392.89	364.59
	(A)	**438.77**	**392.89**	**364.59**
	Closing balance			
	- Work-in-progress	214.44	438.77	392.89
	(B)	**214.44**	**438.77**	**392.89**
	(A) - (B)	**224.33**	**(45.88)**	**(28.30)**
31.	**Employee benefits expense**			
	Salaries, wages and bonus (refer note (a) below)	4,589.81	3,876.82	2,853.47
	Contribution to provident and other funds	87.17	74.99	67.02
	Gratuity expense	50.38	50.54	47.18
	Equity settled share based payment expense	22.53	8.14	22.41
	Staff welfare expenses	199.16	162.37	99.62
		4,949.05	**4,172.86**	**3,089.70**

(a) Includes contract labour charges of ₹ 321.53 (31 March 2023: ₹ 274.46, 31 March 2022: ₹.253.77)

32.	**Finance costs**			
	Interest on financial liabilities measured at amortised cost (net of borrowing cost of ₹ 18.49 (Mar 23 : ₹ 28.96, Mar 22 : ₹ 50.27) capitalised to property, plant and equipment)	600.85	478.53	371.92
	Interest on lease liabilities	253.53	241.22	84.62
	Interest on MSME payables	3.03	1.57	5.34
	Interest - others	1.69	49.25	33.83
		859.10	**770.57**	**495.71**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
33.	**Depreciation and amortisation expense**			
	Depreciation of property, plant & equipment (refer note 6)	731.35	600.80	604.96
	Depreciation on right of use assets (refer note 7)	375.34	347.79	264.24
	Amortisation of intangible assets (refer note 8)	87.67	45.73	32.41
		1,194.36	**994.32**	**901.61**
34.	**Other expenses**			
	Consumption of stores and spares	440.29	388.92	264.24
	Power and fuel	494.91	437.26	318.62
	Rent	20.72	51.32	13.56
	Repairs and maintenance:			
	- Buildings	18.85	36.71	26.84
	- Plant and equipment	178.56	172.32	232.80
	- Others	190.06	231.98	165.20
	Insurance	70.92	68.78	48.17
	Rates and taxes	24.65	36.77	51.03
	Outside contract cost	56.86	39.27	30.32
	Carriage and freight outwards	51.12	74.44	26.33
	Communication expenses	25.20	17.55	16.53
	Office maintenance and housekeeping expenses	41.32	43.79	42.08
	Travelling and conveyance	122.45	113.91	21.68
	Legal and professional fees (refer note (i) below)	296.84	139.62	197.59
	Corporate social responsibility (CSR) expenditure (refer note 46)	9.38	17.45	23.62
	Provision towards doubtful trade receivables (refer note 38B)	15.90	11.52	53.73
	Bad debts written off (net of recoveries) (refer note 38B)	62.04	67.96	7.43
	Provision towards doubtful advances	13.66	-	-
	Advances written off	10.72	-	-
	Bank charges	16.48	39.66	36.07
	Net loss on disposal of property, plant and equipment	-	5.67	-
	Sales promotion expenses	30.45	11.14	51.05
	Membership and subscription	112.34	87.52	67.59
	Printing and stationery	21.95	19.23	10.30
	Asset under CWIP written off	61.86	-	-
	Miscellaneous expenses	3.01	10.56	21.05
		2,390.54	**2,123.35**	**1,725.83**
(i)	**Details of Auditor's remuneration :**			
	As auditor:			
	- Audit fee	6.60	6.00	5.75
	- Certification fees	1.59	4.57	1.45
	- Reimbursement of expenses	0.49	0.31	0.22
		8.68	**10.88**	**7.42**
35.	**Income tax**			
	Tax expense comprises of:			
	Current tax	77.57	100.28	94.21
	Deferred tax	186.68	(36.09)	(59.52)
	Income tax expense reported in the statement of profit or loss	**264.25**	**64.19**	**34.69**

During the March 2022, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% and the reported tax expense in the statement of profit and loss is as follows:

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

		For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
35.	**Income tax (continued)**			
	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate			
	Profit before tax	1,092.34	164.08	96.95
	Tax at the Indian tax rate (25.17%) [31 March 2023: 25.17% and 31 March 2022: 25.17%]	274.92	41.30	24.40
	Effect of concessions (80JJAA)	(5.44)	(3.94)	(2.79)
	Disallowance of CSR expenditure	2.36	4.39	5.95
	Benefit of lower tax rate on capital gain	-	-	(3.69)
	Others	(7.59)	22.44	10.82
	Income tax expense	**264.25**	**64.19**	**34.69**
36.	**Earnings per equity share [EPES]**			
	Profit attributable to equity shareholders	828.09	99.89	62.26
	Weighted average number of equity shares outstanding during the year (before Stock split)	1,81,15,947	1,80,58,176	1,79,67,831
	Weighted average number of equity shares outstanding during the year (after Stock split)	18,11,59,470	18,05,81,760	17,96,78,310
	Effect of dilution:			
	Employee stock options (before Stock split)	1,73,375	1,82,311	1,89,567
	Employee stock options (after Stock split)	17,33,750	18,23,110	18,95,670
	Weighted average number of equity shares adjusted for the effect of dilution (before Stock split)	1,82,89,322	1,82,40,487	1,81,57,398
	Weighted average number of equity shares adjusted for the effect of dilution (after Stock split)	18,28,93,220	18,24,04,870	18,15,73,980
	Earnings per equity share before Stock Split (in absolute ₹ terms) :			
	Basic	45.71	5.53	3.47
	Diluted	45.28	5.48	3.43
	Nominal Value per share equity share	10	10	10
	Earnings per equity share after Stock Split (in absolute ₹ terms) :			
	Basic	4.57	0.55	0.35
	Diluted	4.53	0.55	0.34
	Nominal Value per share equity share	1	1	1

Note:

During the year ended 31 March 2024, 31 March 2023 and 31 March 2022, the Company has not considered Share warrants of 50,000, 37,500 and 25,000 respectively which are convertible into equity shares being anti-dilutive.

The basic and diluted earnings per share for the current period and previous periods/years presented have been calculated/restated after considering the share split subsequent to 31 March 2024. Accordingly, adjustments have been made for options granted to employees under the ESOP scheme of the Company. (Refer Note 50)

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

37. Fair value measurements

Risk management framework:

The Company's principal financial liabilities, comprise borrowings, lease liabilities, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and other bank balances that derive directly from its operations. The Company also holds FVTOCI investments and investment in its subsidiary.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Board of Directors oversees the management of these risks. The Company's Board of Directors is supported by the senior management that advises on financial risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance to the Company's Board of Directors that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(i) Financial assets and financial liabilities measured at fair value

	Level 1			Level 2			Level 3		
	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022	31 March 2024	31 March 2023	31 March 2022
Financial assets - Unlisted equity instruments measured at FVTOCI* and derivative instruments designated in hedge accounting relationship	-	-		16.08	20.78	24.84	18.68	18.68	0.16
Financial liabilities - Derivative financial instruments - loss on outstanding foreign exchange forwards, options, currency swap contracts and interest rate swap contracts(1)	-	-		35.67	32.47	24.41	-	-	-

(1) The Company enters into derivative financial instruments with various counterparties, principally banks. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps, foreign exchange forwards. These derivative financial instruments are valued based on the inputs that are directly or indirectly observable in the market place.

*These are held for operational purposes and the Company estimates that the fair value of these investments are not materially different as compared to their cost.

Financial instruments by category

	31 March 2024			31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets									
Investments	-	18.68	-	-	18.68	-	-	0.16	-
Trade receivables	-	-	2,561.84	-	-	2,840.51	-	-	2,429.04
Cash and cash equivalents	-	-	236.57	-	-	699.12	-	-	1,159.39
Other bank balances	-	-	1,351.43	-	-	164.24	-	-	143.52
Other financial assets	-	16.08	819.35	-	20.78	1,790.53	-	24.84	1,449.43
Total financial assets	**-**	**34.76**	**4,969.19**	**-**	**39.46**	**5,494.40**	**-**	**25.00**	**5,181.38**

	31 March 2024			31 March 2023			31 March 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial liabilities									
Borrowings	-	-	7,101.63	-	-	6,992.29	-	-	7,513.18
Lease liabilities	-	-	2,174.97	-	-	2,331.46	-	-	2,141.27
Trade payables	-	-	1,994.05	-	-	2,089.46	-	-	1,992.05
Other financial liabilities	-	35.67	295.19	-	32.47	232.59	-	24.41	97.25
Total financial liabilities	**-**	**35.67**	**11,565.84**	**-**	**32.47**	**11,645.80**	**-**	**24.41**	**11,743.75**

37. Fair value measurements (continued)

(ii) Measurement of fair values

Valuation technique and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value
Forward exchange contract	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currency.	Not applicable	Not applicable
Interest rate swaps and Cross Currency swaps	Swap models: The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable

(iii) Transfer between Level 1 and 2

There have been no transfers from Level 2 to Level 1 or vice-versa in 2023-24 and no transfers in either direction in 2022-23 and 2021-22.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

38. Financial instruments risk management

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, lease liabilities, deposits, trade receivables and other financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024, 31 March 2023 and 31 March 2022. The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

i. Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined for borrowings assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points increase or decrease in case of foreign currency borrowings and 50 basis points increase or decrease in case of rupee borrowings is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rate.

If interest rate had been 10 basis points higher/lower in case of foreign currency borrowings and 50 basis points higher/ lower in case of rupee borrowings and all other variables were held constant, the Company's profit for the year ended 31 March 2024 would decrease/increase by ₹ 33.85 (31 March 2023: ₹ 31.94, 31 March 2022: ₹ 28.11)

ii. Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of change in foreign exchange rates. The Company’s foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in US Dollars and Euros) and foreign currency borrowings (primarily in US Dollars). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, the Company’s revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, the Company uses both derivative and non-derivative financial instruments, such as foreign exchange forward contracts, currency swap contracts and foreign currency financial liabilities, to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognised assets and liabilities.

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows.

Financial assets

	31 March 2024				31 March 2023				31 March 2022			
	Investments	Trade receivables	Balances in bank	Other assets	Investments	Trade receivables	Balances in bank	Other assets	Investments	Trade receivables	Balances in bank	Other assets
- USD	-	2,430.69	73.51	93.76	-	2,566.16	55.35	10.10	-	2,063.05	66.24	54.81
- EUR	-	158.73	20.74	-	-	154.88	3.12	1.33	-	154.84	2.11	1.58
- GBP	-	52.86	38.65	-	-	115.04	15.78	0.85	-	5.50	15.84	0.85
- Others	-	2.60	2.80	-	-	3.51	3.43	1.28	-	1.45	4.09	0.13

Financial liabilities

	31 March 2024			31 March 2023			31 March 2022		
	Borrowings#	Trade payables	Capital creditors	Borrowings#	Trade payables	Capital creditors	Borrowings#	Trade payables	Capital creditors
- USD	402.89	300.58	29.39	328.69	645.20	72.99	1,615.77	630.21	4.02
- EUR	10.08	5.85	13.71	-	-	10.06	-	1.59	-
- GBP	-	114.84	8.75	6.16	11.26	-	-	4.50	-
- Others	-	3.55	-	-	2.09	-	-	2.09	-

This amount includes interest accrued

38. Financial instruments risk management (continued)

(b) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on income		
	31 March 2024	31 March 2023	31 March 2022
USD sensitivity			
₹/USD - Increase by 1%	18.65	15.85	(0.66)
₹/USD - Decrease by 1%	(18.65)	(15.85)	0.66
EUR sensitivity			
₹/EUR - Increase by 1%	1.50	1.49	1.57
₹/EUR - Decrease by 1%	(1.50)	(1.49)	(1.57)
GBP sensitivity			
₹/GBP - Increase by 1%	(0.32)	1.14	0.18
₹/GBP - Decrease by 1%	0.32	(1.14)	(0.18)

(c) Derivative financial instruments

The following table gives details in respect of outstanding derivative contracts. The counterparty for these contracts are banks.

	Sell	Buy	31 March 2024			31 March 2023			31 March 2022		
			No of contracts outstanding		Amount in Millions	No of contracts outstanding		Amount in Millions	No of contracts outstanding		Amount in Millions
Forward contract	US$	₹	237	$	77.69	113	$	29.75	111	$	38.65
Forward contract	Euro$	₹	12	$	4.50	-	$	-	-	$	-
Forward contract	₹	US$	2	$	1.00	6	$	2.29	-	$	-
Interest rate swaps INR (floating to fixed)			2	$	651.15	2	$	742.35	1	₹	693.75
Interest rate swaps USD (floating to fixed)			1	$	0.28	2	$	1.08	2	$	2.58

The Company designates its derivative contracts that hedge foreign exchange risk associated with its highly probable forecasted transactions as cash flow hedges and measures them at fair value. The effective portion of such cash flow hedges is recorded as in other comprehensive income, and re-classified in the income statement as revenue in the period corresponding to the occurrence of the forecasted transactions. The ineffective portion of such cash flow hedges is immediately recorded in the restated consolidated statement of profit and loss.

B. Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The Company has established a credit mechanism under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, where available, and other publicly available financial information. Outstanding customer receivables are regularly monitored.

The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to ₹ 2,561.84 (31 March 2023: ₹ 2,840.51, 31 March 2022: ₹ 2,429.04) The movement in allowance for impairment in respect of trade receivables during the year was as follows:

Allowance for doubtful receivables	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Opening balance	116.22	104.70	66.87
Provision towards doubtful trade receivables	77.94	79.48	61.16
Amounts written off	(62.04)	(67.96)	(7.43)
Closing balance	**132.35**	**116.22**	**104.70**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

38 Financial instruments risk management (continued)

C. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Company's principal sources of liquidity are the cash flows generated from operations. Further the Company also has long term borrowings and working capital facilities which the management believes are sufficient for its current requirements. Accordingly, no liquidity risk is perceived.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

31 March 2024	Carrying amount	Contractual cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings	7,101.63	4,329.17	1,884.66	914.36	**7,128.19**
Lease liabilities	2,174.97	616.61	1,512.47	1,002.29	**3,131.37**
Trade and other payables	1,994.05	1,994.05	-	-	**1,994.05**
Other financial liabilities	295.19	290.39	4.80	-	**295.19**
Total	**11,565.84**	**7,230.22**	**3,401.93**	**1,916.65**	**12,548.80**

31 March 2023	Carrying amount	Contractual cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings	6,992.29	4,382.60	1,215.57	1,416.90	**7,015.07**
Lease liabilities	2,331.46	631.13	1,774.11	1,030.64	**3,435.88**
Trade payable	2,089.46	2,089.46	-	-	**2,089.46**
Other financial liabilities	232.59	227.79	4.80	-	**232.59**
Total	**11,645.80**	**7,330.98**	**2,994.48**	**2,447.54**	**12,773.00**

31 March 2022	Carrying amount	Contractual cash flows			
		Up to 1 year	From 1 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Borrowings	7,513.18	4,541.48	1,189.48	1,792.57	**7,523.53**
Lease liabilities	2,141.27	479.72	1,291.81	1,341.65	**3,113.18**
Trade payable	1,992.05	1,992.05	-	-	**1,992.05**
Other financial liabilities	97.25	92.45	4.80	-	**97.25**
Total	**11,743.75**	**7,105.70**	**2,486.09**	**3,134.22**	**12,726.01**

39 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously reviewing its strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

The capital for the reporting year under review is summarized as follows:

	31 March 2024	31 March 2023	31 March 2022
Total borrowings (note 19)	7,101.63	6,992.29	7,513.18
Less: Cash and cash equivalents (note 16(i))	236.57	699.12	1,159.39
Less: Other bank balances (note 16 (ii)) and Deposits classified under Other financial assets (note 10)	1,751.43	1,514.24	1,143.52
Net debt (A)	**5,113.63**	**4,778.93**	**5,210.27**
Total equity (B)	9,751.44	8,880.93	8,785.65
Net debt to equity ratio (A)/(B)	**0.52**	**0.54**	**0.59**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

40. Related party disclosures

(a) **Names of the related parties and nature of relationship**

Names of related parties	Nature of relationship
Sai Life Sciences Inc, USA	Subsidiary Company
Sai Life Sciences GMBH, Germany	Subsidiary Company
Sai Life Pharma Private Limited	Subsidiary Company
TPG Asia VII SF Pte Ltd	Entity having significant influence on the Company
Sai Quest Syn Private Limited	Entities in which KMP have control or have significant influence
Soma Khadi Gramodyog Sangha (upto 01 April 2022)	Entities in which KMP have control or have significant influence
Dr. K Ranga Raju Krishnam Raju Sivaramakrishnan Chittor Runa Karan Jayant Bhalchandra Manmadkar (resigned as Chief Financial Officer w.e.f. 1 July 2021)	Key management personnel ("KMP")
Dr. Raju A Penmasta Puneet Bhatia Mitesh Daga	Director
Rajagopal S. Tatta Nandita Gurjar (upto 28 February 2023) Manjusha Ambadas Joshi (w.e.f. 09 June 2023) Ganesh Ramesh Iyer (w.e.f. 21 May 2024)	Independent Director

(b) **Transactions with related parties**

	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Transactions with independent directors	**5.39**	**6.42**	**6.50**
Commission	4.45	6.06	6.07
Sitting fees	0.31	0.36	0.40
Reimbursement of expenses	0.63	-	0.03
Transactions with KMP	**94.81**	**89.25**	**40.07**
Managerial remuneration*	94.81	89.25	40.07

(c) **Balances outstanding**

	As at 31 March 2024	As at 31 March 2023	As at 31 March 2022
Entity in which KMP has control or significant influence			
Rental deposit	-	-	3.00
Payables			
KMP	-	-	2.23

*KMP are covered by the Company's mediclaim insurance policy and are eligible for gratuity and leave encashment along with other employees of the Company. The proportionate premium paid towards this policy and provision made for gratuity and leave encashment pertaining to the KMP has not been included in the aforementioned disclosures as these are not determined on an individual basis.

Share based compensation expense allocable to key management personnel is ₹ 0.45 (31 March 2023 : ₹ 2.37 and 31 March 2022 : ₹ 4.82), which is not included in the remuneration disclosed above.

(d) **The following are the details of the transactions eliminated on consolidation as per Ind AS 24 read with ICDR Regulations during the year ended 31 March 2024, 31 March 2023 and 31 March 2022**

Details of related parties

Names of related parties	Nature of relationship
Sai Life Sciences Inc, USA	Subsidiary Company
Sai Life Sciences GMBH, Germany	Subsidiary Company
Sai Life Pharma Private Limited	Subsidiary Company
Sai Life Drugform Private Limited	Subsidiary Company, applied for strike off effective dt.25-03-2022 & approved by

Transactions with related parties	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2022
Transactions with subsidiary companies			
Marketing cross charge	**405.73**	**333.61**	**390.42**
- Sai Life Sciences Inc.	370.92	302.31	390.42
- Sai Life Sciences GMBH	34.81	31.30	-
Research Services Provided	**26.83**	**54.92**	**54.33**
- Sai Life Sciences Inc	26.83	54.92	54.33
Investment in equity share capital	**-**	**148.50**	**2.11**
- Sai Life Sciences Inc	-	148.50	-
- Sai Life Sciences GMBH	-	-	2.11
Issue of Standby Line of Credit			
- Sai Life Sciences Inc	36.20	35.68	32.90
Transactions with Subsidiaries	**138.58**	**93.79**	**15.03**
- Sai Life Pharma Private Limited (Rent expenses)	1.38	1.35	1.35
- Sai Life Pharma Private Limited (FTE cross charge)	16.92	-	-
- Sai Life Sciences Inc (Purchases of Lab consumables)	91.93	92.44	13.68
- Sai Life Sciences Inc (Service fee incurred for procurement of lab consumables)	28.35	-	-

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

40. Related party disclosures (continued)

Balances outstanding	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Payables			
Subsidiary company	**38.91**	**-**	**16.03**
- Sai Life Sciences Inc	32.35	-	13.68
- Sai Life Pharma Private Limited	6.56	-	0.12
Receivables			
Subsidiary companies	**179.64**	**73.91**	**55.29**
- Sai Life Sciences Inc	167.88	73.91	55.29
- Sai Life Sciences GMBH	11.76	-	
Advances Given			
Subsidiary companies	**58.02**	**45.31**	**157.69**
- Sai Life Sciences Inc	41.62	44.28	157.69
- Sai Life Sciences GMBH	16.40	0.79	
- Sai Life Pharma Private Limited	-	0.24	
Investment in equity share capital	**783.98**	**783.98**	**635.48**
- Sai Life Sciences Inc	666.77	666.77	518.27
- Sai Life Sciences GMBH	2.11	2.11	2.11
- Sai Life Pharma Private Limited	115.10	115.10	115.10
Issue of Standby Line of Credit			
- Sai Life Sciences Inc	36.20	35.68	32.90

(e) **Transaction with related parties**
In accordance with the applicable provisions of the Income Tax Act, 1961, the Company is required to use certain specified methods in assessing that the transactions with the related parties, are carried at an arm's length price and is also required to maintain prescribed information and documents to support such assessment. The appropriate method to be adopted will depend on the nature of transactions / class of transactions, class of associated persons, functions performed and other factors as prescribed. Based on certain internal analysis carried out, management believes that transactions entered into with the related parties were carried out at arms length prices. The Company is in the process of updating the transfer pricing documentation for the financial year ended 31 March 2024. In opinion of the management, the same would not have an impact on these financial statements.

(f) **Funding arrangements with related parties**
Parent Company has given standby letter of credit to the vendor on behalf of Sai Life Sciences Inc (subsidiary company) amounting to ₹ 36.20 (31 March 2023 : ₹ 35.68 and 31 March 2022 : ₹ 32.90). Expiry Date of final standby letter of credit is 1 year from the date of issuance with auto renewal every year.

41. Segment reporting
The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment'and believes that the Company has only one reportable segment namely "Contract research and manufacturing". Geography-wise details of the Company's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) and revenue from major customers are given below:

	For the year ended		
(i) Revenue from External customers	**31 March 2024**	**31 March 2023**	**31 March 2022**
India	301.21	207.57	681.49
Outside India	14,386.02	11,761.92	8,009.75
(ii) Non-current assets (other than financial instruments)			
India	12,090.09	11,055.07	11,002.18
Outside India	1,019.45	1,046.04	1,098.61

(iii) Major Customer
During the year, the Group does not have any customer who contributed more than 10% of the Group's total revenue (31 March 2023: ₹ 1,260.28, 31 March 2022: ₹ 941.72)

42. Contingent liabilities and commitments

	As at		
	31 March 2024	**31 March 2023**	**31 March 2022**
(a) **Commitments**			
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	491.15	410.82	267.33
(b) **Contingent liabilities**			
a. Claims arising from disputes not acknowledged as debts in respect of:			
Excise duty liabilities - refer note (c) (i) below	7.25	7.25	7.25
Service tax liabilities - refer note (c) (ii) below	12.36	12.36	12.36
Entry tax liabilities - refer note (c) (iii) below	-	-	-
Provident Fund Damages relating to PF contribution of international workers - refer note (c) (iii) below	21.89	21.89	21.89
Income tax liabilities - refer note (c) (iv) & (x) below	18.27	16.23	56.58
VAT liabilities - refer note (c) (v) below	67.56	59.25	59.25
GST liabilities - refer note (c) (vi) and (vii) below	77.31	4.22	-
	204.64	**121.20**	**157.33**
b. Issue of Standby Line of Credit to vendor on behalf of Subsidiary	36.20	35.68	32.90

(c) (i) The Central Excise department has raised a demand against the Company on the ground that the Company has not complied with the conditions of Notification No 23/2003 – CE dated 31 March 2003. As per the said notification, an Export Oriented Unit (EOU) unit can clear the goods into Domestic Tariff Area (DTA) on payment of excise duty at a concessional rate upto 50% of the Free on Board (FOB) value of the exports on the sale of similar goods to DTA. The central excise officer has held that the goods sold in DTA are different from the goods which are exported. Accordingly raised the above demand along with interest and penalty. Appeal is filed before Central Excise and Service Tax Appellate Tribunal ('CESTAT') and waiting for personal hearing.

(ii) The Service tax department has raised a demand on the ground that that the Place of Provision of Service is in India and as such there is no export of service by the Company applying Rule 4 of Place of Provision of Service Rules, 2012. (POPS Rules) with respect to Drug Metabolism and Pharmacokinetic (DMPK) services rendered by the Company. Appeal filed before CESTAT- Pune, on 27 April 15 and Final Order received. Appeal is filed before Honourable High Court on 9 Dec 19 and Personal Hearing is attended on 27 Feb 20. Appeal has been admitted by Hight court on 5th July 2022.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

42. Contingent liabilities and commitments (continued)

(iii) The Company had three Non resident Indians on its rolls covered under the definition of International Workers as per the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. Based on the Government Order, in June 2017, the Company suo moto made a payment of provident fund along with the applicable interest rates.

However, on April 25, 2018, the Company received a notice from the Department stating that from the period 01 April 1996 to 31 March 2018, the Company had delays in deposit of Provident fund amount and accordingly, charged interest and damages under Section 14B and Section 7Q of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to the extent of ₹.13.15 and ₹.21.89 for interest and damages respectively.

The Company has represented the case stating that interest payments were made appropriately. The PF authorities took the such interest payment on record and gave a corrigendum stating the same.

The Company is still contesting the damages payment of ₹ 21.89. The Company addressed a letter dated October 22, 2020 to the Regional Provident Fund Commissioner, requesting it to refrain from taking any such coercive action against the Company and reserved its right to exercise its rights and remedies under law. However, since no presiding officer had been appointed for hearing matters before the Central Government Industrial Tribunal ("CGIT") at that time, the Company filed the present writ petition bearing Writ Petition No. 19867 of 2020 against the RPFC for the setting aside of the Impugned Order as being arbitrary, illegal and violative of Article 14 of the Constitution of India. The matter was listed on November 19, 2020, wherein, the High Court passed an interim order granting a stay on the Impugned Order. However, as on date, there is no further order with regard to the said damages. Apart from the proceedings before the High Court of Telangana, an appeal was also filed by the Company challenging the Impugned Order before the CGIT under Section 7-I of the EPF Act. The matter was listed for admission on April 26, 2021. The CGIT, vide, an order passed on April 26, 2021, observed that the present appeal was admitted subject to the final order passed by the High Court of Telangana. The said order held that the application for stay as filed by the Client would be considered upon obtaining such a final order.

(iv) Company has received a demand from income tax authorities relating to financial year 2015-16, 2016-17 & 2017-18 regarding certain disallowances in the income tax return of that year. The Company has filed an appeal and is pending hearing. In the current year, the Company has received favorable order for the financial year 2015-16 and 2017-18.

(v) The Company has litigations under Maharashtra Value Added Tax ('MVAT') Act, 2002 and Central Sales Tax ('CST') Act, 1956 for the years 2009-10 to 2016-17, and for the quarter 1 April 2017 to 30 June 2017. For the years 2009-10 to 2013-14, the Company is in appeal before the Maharashtra Sales Tax Tribunal and for the years 2014-15 to 30 June 2017, the Company is in appeal before the Joint Commissioner (Appeals). The issue pertains to eligibility of refund of Input Tax Credit ('ITC) under MVAT Act.

The tax authorities have raised objection that transfer of deliverables (technical know-how) to the Customer of the Company is a service and not sale of goods. Therefore, the tax authorities at the first level have disallowed ITC and rejected the claim of refund of unutilised ITC of the Company. However, in this regard, the Company believes that transfer of deliverables to the Customer is sale of goods and the Company is eligible for ITC and the refund of unutilized ITC.

(vi) The Company has received order from the officer where he has disallowed the transitional ITC and levied interest and penalty total amounting to ₹.4.22. Appeal is filed before Deputy Commissioner of State Tax, Office of the Deputy Commissioner of State Tax, Pune in the year ending March 2023. The Company is waiting for personal hearing.

(vii) During the current year, the Company has received order from the GST Enforcement Authorities, Gulbarga having jurisdiction over Bidar unit of the Company demanding tax along with interest and penalties on 'Marketing support' services received from M/s. Sai Life Sciences Inc., USA for the financial years 2017-18 and 2018-19. Total amount involved along with interest and penalty is ₹.73.09 The Company has filed an appeal before Commissioner (GST Appeals), Gulbarga for the financial year 2017-18 and waiting for personal hearing. With regards to financial year 2018-19, the Company is in process of filing appeal before Commissioner (GST Appeals), Gulbarga.

(viii) The Company is subject to various legal proceedings and claims, which have arisen in the ordinary course of business including litigation pending before various tax authorities, including those mentioned in above points. The uncertainties and possible refunds are dependent on the outcome of different legal processes, which have been invoked by the claimants or the Company, as the case may be, and therefore cannot be accurately predicted . The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. Management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision is required.

(ix) Subsequent to the closure of book of accounts for the year ending March 2024, the Company has received Order dated 30 April 2024 for tax demand of ₹ 4.5 regarding the audit of Telangana GST registration for the financial year 2018-19. The Company is in process of evaluating the grounds for filing an appeal before the appellate authorities.

(x) The Company has received a demand notice dated 23 March 2024 relating to Assessment Year 2022-23 from the Commissioner of Income Tax (Appeals) for ₹ 18.27. The Company has filed an appeal and is pending for hearing.

43. Other statutory disclosures

i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
ii) The Company does not have any transactions with companies struck off.
iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
v) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
vi) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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.

vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group 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.

viii) The Company has not any such transaction which is not recorded in the books of account 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

44. Micro, Small and Medium Enterprises

Disclosure in respect of the amounts payable to micro and small enterprises as at 31 March 2024, 31 March 2023 & 31 March 2022 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act.

	31 March 2024	31 March 2023	31 March 2022
The principal amount remaining unpaid to any supplier as at the end of each accounting year*	141.29	124.29	129.14
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	3.03	1.57	5.34
The amount of interest accrued and remaining unpaid at the end of the year**	9.94	6.91	5.34
The amount of further 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 enterprise	-	-	-

* Includes amounts payable to trade creditors ₹ 80.13 (31 March 2023: ₹ 73.99, 31 March 2022: ₹ 116.80) and capital creditors ₹ 61.16 (31 March 2023: ₹ 50.30, 31 March 2022: ₹ 12.34)

** Includes amounts payable to trade creditors ₹ 9.94 (31 March 2023: ₹ 6.91, 31 March 2022: ₹ 5.34)

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the management.

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

45 Leases

Company as a lessee : The Company has lease contracts for land, buildings, plant and equipment, vehicles and computers, with lease period varying between 1 to 51 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

Lease liabilities

Particulars	**As at 31 March 2024**	**As at 31 March 2023**	**As at 31 March 2022**
Opening balance	2,331.46	2,141.27	376.00
Additions	312.83	539.86	2,160.06
Deletions	(28.27)	(4.44)	(158.84)
Accretion of interest	253.53	241.22	84.62
Payments	(694.58)	(586.45)	(320.57)
Closing balance	**2,174.97**	**2,331.46**	**2,141.27**
Current	417.76	373.49	245.61
Non-current	1,757.21	1,957.97	1,895.66

Amount recognised in Restated consolidated statement of profit and loss

Particulars	**For the year ended**		
	31 March 2024	**31 March 2023**	**31 March 2022**
Depreciation: Right of use assets	375.34	347.79	264.24
Finance cost: Interest on lease liabilities	253.53	241.22	84.62
Short term and variable lease payments (refer note below)	20.72	51.32	13.56

Note: The Company applies the short-term lease recognition exemption to its short-term leases of certain premises taken on lease (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Amount recognised in Statement of Cash flows

Particulars	**For the year ended**		
	31 March 2024	**31 March 2023**	**31 March 2022**
Cash outflows for leases			
Interest portion of lease liabilities	253.53	241.22	84.62
Principal portion of lease liabilities	441.05	345.23	235.95

46 Details of CSR expenditure :

As required under Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. During the year, the Company was required to spend ₹ 9.38 (March 2023 - ₹ 17.45, March 2022 - ₹ 23.35). The Company has spent the CSR amount towards

1. Contributing through Technology
2. Conducting free medical program in rural areas and sponsorship for cancer child patient
3. Promoting education in rural areas and career development programme
4. Providing water storage.

Amount spent during the year on:			
i) Gross amount required to be spent by the Company during the year	9.38	17.45	23.35
ii) Amount spent during the year on the above	9.38	17.45	23.63
iii) Shortfall at the end of the year	-	-	-
iv) Total of previous year shortfall	-	-	-
v) Reason for shortfall	N/A	N/A	N/A
vi) Nature of activity	See note above	See note above	See note above

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

47 Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

Name of the entity	As at 31 March 2024							
	Net assets (i.e., total assets-total liabilities)		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Other Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total OCI	Amount
Parent								
Sai Life Sciences Limited	103.70%	10,111.98	115.00%	952.31	1.47%	0.15	113.62%	952.46
Subsidiaries								
Sai Life Sciences Inc	3.25%	316.81	-18.19%	(150.61)	0.00%	-	-17.97%	(150.61)
Sai Life Pharma Private Limited	1.16%	113.41	0.04%	0.35	-0.98%	(0.10)	0.03%	0.25
Sai Life Sciences GMBH	-0.15%	(14.26)	0.41%	3.38	0.00%	-	0.40%	3.38
Total	**107.96%**	**10,527.94**	**97.26%**	**805.43**	**0.49%**	**0.05**	**96.08%**	**805.48**
Consolidation adjustments	-7.96%	(776.50)	2.74%	22.66	99.51%	10.17	3.92%	32.83
Net amount	**100.00%**	**9,751.44**	**100.00%**	**828.09**	**100.00%**	**10.22**	**100.00%**	**838.31**

Name of the entity	As at 31 March 2023							
	Net assets (i.e., total assets-total liabilities)		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Other Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total OCI	Amount
Parent								
Sai Life Sciences Limited	102.77%	9,127.32	242.64%	242.37	41.14%	14.54	189.98%	256.91
Subsidiaries								
Sai Life Sciences Inc	5.21%	462.29	-126.12%	(125.98)	0.00%	-	-93.16%	(125.98)
Sai Life Pharma Private Limited	1.27%	113.16	-0.19%	(0.19)	0.00%	-	-0.14%	(0.19)
Sai Life Sciences GMBH	-0.20%	(17.56)	-17.26%	(17.24)	0.00%	-	-12.75%	(17.24)
Total	**109.06%**	**9,685.21**	**99.07%**	**98.96**	**41.14%**	**14.54**	**83.93%**	**113.50**
Consolidation adjustments	-9.06%	(804.28)	0.93%	0.93	58.86%	20.80	16.07%	21.73
Net amount	**100.00%**	**8,880.93**	**100.00%**	**99.89**	**100.00%**	**35.34**	**100.00%**	**135.23**

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

47 Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act (continued)

Name of the entity	As at 31 March 2022							
	Net assets (i.e., total assets-total liabilities)		Share in profit or loss		Share in Other Comprehensive Income (OCI)		Share in Total Other Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated OCI	Amount	As % of Consolidated Total OCI	Amount
Parent								
Sai Life Sciences Limited	101.43%	8,911.14	251.89%	156.83	61.41%	24.70	177.13%	181.52
Subsidiaries								
Sai Life Sciences Inc	4.55%	399.93	-149.53%	(93.10)	0.00%	-	-90.85%	(93.10)
Sai Life Pharma Private Limited	1.29%	113.35	-0.67%	(0.42)	0.00%	-	-0.41%	(0.42)
Sai Life Sciences GMBH	10.45%	918.25	-2.04%	(1.27)	0.00%	-	-1.24%	(1.27)
Total	**117.72%**	**10,342.67**	**99.65%**	**62.04**	**61.41%**	**24.70**	**84.63%**	**86.73**
Consolidation adjustments	-17.72%	(1,557.02)	0.35%	0.22	38.59%	15.52	15.37%	15.75
Net amount	**100.00%**	**8,785.65**	**100.00%**	**62.26**	**100.00%**	**40.22**	**100.00%**	**102.48**

The above disclosure represents separate information for the consolidated entity before elimination of inter–company transactions. The net impacts on elimination of inter–company transactions/profits/consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under requirements of the Act.

48 The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

49 With effect from 1 April 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for companies to maintain an audit trail throughout the year for transactions impacting books of accounts.

The Parent Company and its subsidiary, uses accounting software for maintaining the books of account which has a feature of recording audit trail and has defined process to enable audit trail of books of accounts and has enabled the feature of recording audit trail (edit log) facility except for the following
- in respect of accounting software used by the Parent Company, audit trail feature was not enabled for the period 01 April 2023 to 30 March 2024, post which audit trail was enabled at the application level.
- in respect of a accounting software operated by a third party software service provider used by the Parent Company for maintaining payroll records, independent auditor’s system and organisation controls report does not cover audit trail related reporting for the period from 01 January 2024 to 31 March 2024.
- in respect of a accounting software operated by a third party software service provider used by the Subsidiary Company for maintaining its books of account, independent auditor’s system and organisation controls report does not cover audit trail related requirements.

The management is of the view that this does not have any impact on its Consolidated financial statements for the year ended 31 March 2024.

50 The Board of directors recommended in its meeting held as on 10 June 2024 following :

(i) The Company decided to split each equity share of face value of ₹ 10 into 10 equity shares of face value of ₹1 each. Accordingly, the issued, subscribed, and paid-up capital of our Company was subdivided from 17,663,034 equity shares of face value of ₹ 10 each to 176,630,340 equity shares of face value of ₹ 1each. The impact of split share is retrospectively considered in the computation of EPS as per the requirement of Ind AS - 33 Earnings per share.
(ii) Increase in authorized share capital from ₹214 consisting of 21,400,000 Equity Shares of ₹ 10/- each to ₹ 250 consisting of 250,000,000 Equity Shares of ₹1 each

The shareholders of the Company approved above recommendation in its Extra Ordinarily General Meeting, dated 11 June 2024.

51 **(a)** There are no restatement adjustments required to be made under the SEBI ICDR for the years ended 31 March 2024, 31 March 2023 and 31 March 2022. Accordingly, there are no reconciliations between Total equity and Total comprehensive income as per Restated Consolidated Financial Information and as Audited Consolidated 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 financial information of the Group for the year ended 31 March 2024 prepared in accordance with Schedule III of Companies Act, 2013.

For and on behalf of the Board of Directors of
Sai Life Sciences Limited
CIN No: U24110TG1999PLC030970

K.Ranga Raju
Chairman
DIN No: 00043186

Krishnam Raju
Managing Director
DIN No: 00064614
Place: Manchester

Sivaramakrishnan Chittor
Chief Financial Officer

Place: Hyderabad
Date: 10-Jul-2024

Runa Karan
Company Secretary
Membership No.: A13721

OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Basic earnings per Equity Share (in ₹)	4.57	0.55	0.35
Diluted earnings per share (in ₹)	4.53	0.55	0.34
Profit for the year (in ₹ million)	828.09	99.89	62.26
Return on Net Worth (%)	8.49%	1.12%	0.71%
Net Asset Value per Equity Share (in ₹)	53.83	49.18	48.90
EBITDA (in ₹ million)	3,001.15	1,822.33	1,310.63

Notes: The ratios have been computed on a restated basis as under:

1. *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended). The basic and diluted earnings per share for the current period and previous periods/years presented have been calculated/restated after considering the share split subsequent to March 31, 2024. Accordingly, adjustments have been made for options granted to employees under the ESOP Schemes of the Company.*
2. *Return on Net Worth ratio: Profit/ (loss) for the period attributable to equity shareholders of the company divided by the total equity of the Company at the end of the year.*
3. *Net Asset Value per Equity Share represents total equity as at the end of the fiscal year, as divided by the weighted total number of Equity Shares outstanding during the end of the year.*
4. *EBITDA: Aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year*

Basic and diluted earnings per Equity Share

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Restated profit after tax (A) (₹ in millions)	828.09	99.89	62.26
Weighted average number of equity shares in calculating basic EPS (B) (number in millions)	181.16	180.58	179.68
Weighted average number of equity shares in calculating diluted EPS (C) (number in millions)	182.89	182.40	181.57
Basic Earnings per share (in ₹) (D=A/B)	**4.57**	**0.55**	**0.35**
Diluted Earnings per share (in ₹) (E=A/C)	**4.53**	**0.55**	**0.34**

Net Asset Value per Equity Share

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Equity Share Capital (A)	180.50	180.10	179.43
Other Equity (B)	9,570.94	8,700.83	8,606.22
Net Worth (C=A+B)	**9,751.44**	**8,880.93**	**8,785.65**
Weighted average number of equity shares(D) (number in millions)	181.16	180.58	179.68
Net Asset Value per Equity Share (E=C/D) (in ₹)	**53.83**	**49.18**	**48.90**

EBITDA and EBITDA Margin

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Profit for the year (A)	828.09	99.89	62.26
Add:			
Total tax expenses (B1)	264.25	64.19	34.69
Finance Cost (B2)	859.10	770.57	495.71
Depreciation and Amortisation (B3)	1,194.36	994.32	901.61
Less:			
Other Income excluding foreign exchange gain (B4)	144.65	106.64	183.64
EBITDA (B=A+B1+B2+B3-B4)	3,001.15	1,822.33	1,310.63
Total Revenue from operations (C)	14,651.78	12,171.39	8,695.93
EBITDA Margin (D=B/C)	20.48%	14.97%	15.07%

Capital Expenditure (Capex)

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Additions to Property, plant and equipment (A)	2,222.27	1,250.25	1,931.25
Addition to Intangible assets (B)	110.94	78.56	57.16
Adjustment to Capital Work-in progress (C)	(441.06)	(376.86)	(53.17)
Capital Expenditure (D=A+B+C)	**1,892.15**	**951.95**	**1,935.24**

Return of Net Worth (RoNW)/ Return on Equity (RoE) and Net Worth

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Restated profit after tax (₹ in millions)	828.09	99.89	62.26
Equity	180.50	180.10	179.43
Other Equity	9,570.94	8,700.83	8,606.22
Total Equity/ Net worth	**9,751.44**	**8,880.93**	**8,785.65**
Return on Net Worth (RoNW)/ Return on equity (RoE)	**8.49%**	**1.12%**	**0.71%**

Return on capital employed (ROCE)

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Profit before tax (A)	1,092.34	164.08	96.95
Finance Cost (B)	859.10	770.57	495.71
Earnings before interest and tax (A+B)	**1,951.44**	**934.65**	**592.66**
Total Equity	9,751.44	8,880.93	8,785.65
Non-Current Borrowings	2,772.46	2,609.69	2,971.71
Current Borrowings	4,329.17	4,382.60	4,541.47
Non-Current Lease liabilities	1,757.21	1,957.97	1,895.66
Current Lease liabilities	417.76	373.49	245.61
Capital Employed	**19,028.04**	**18,204.68**	**18,440.10**
Return on capital employed (ROCE)	**10.26%**	**5.13%**	**3.21%**

Net Debt/Equity and Net Debt/EBITDA

Particulars	As at and for the		
	Financial Year ended March 31, 2024	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Non-Current Borrowings (A)	2,772.46	2,609.69	2,971.71
Current Borrowings (B)	4,329.17	4,382.60	4,541.47
Non-Current Lease liabilities (C)	1,757.21	1,957.97	1,895.66
Current Lease liabilities (D)	417.76	373.49	245.61
Cash and cash equivalents (E)	236.57	699.12	1,159.39
Other bank balances (F)	1,351.43	164.24	143.52
Fixed Deposit with financial institutions (G)	400.00	1,350.00	1,000.00
Net Debt (H=A+B+C+D-E-F-G)	**7,288.60**	**7,110.39**	**7,351.54**
Total Equity (I)	9,751.44	8,880.93	8,785.65
EBITDA (J)	3,001.15	1,822.33	1,310.63
Net Debt/Equity (K=H/I)	**0.75**	**0.80**	**0.84**
Net Debt/EBITDA (L=H/J)	**2.43**	**3.90**	**5.61**

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company, Sai Life Sciences Inc and Sai Life Sciences, GmbH for Financial Years 2024, 2023 and 2022 (collectively, the "**Audited Financial Statements**") are available on our website at https://www.sailife.com/investors/.

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 when subscribing for or purchasing 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 any of the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents, trustees 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' for the Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022, and as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 40. Related party disclosures*" on page 266.

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

The following discussion is intended to convey the management's perspective on our financial condition and results of operations for the Financial Years 2024, 2023 and 2022. Unless otherwise stated, the financial information in this section has been derived from the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

Our financial year ends on March 31 of each year. Accordingly, references to "Financial Year 2024," "Financial Year 2023" and "Financial Year 2022" are to the 12-month period ended March 31 of the relevant year.

Ind AS differs in certain respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. This discussion contains certain forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, such as the risks set forth in the chapters entitled "Risk Factors" and "Forward-Looking Statements" on pages 24 and 16, respectively.

Industry and market data used in this section have been extracted from the F&S Report, which has been commissioned by our Company exclusively in connection with the Offer for the purposes of confirming our understanding of the industry in which we operate.

Overview

We are an innovator-focused, contract research, development, and manufacturing organization ("**CRDMO**"). We provide end-to-end services across the drug discovery, development, and manufacturing value chain, for small molecule new chemical entities ("**NCE**"), to global pharmaceutical innovators companies and biotechnology firms. We possess both (a) discovery / contract research ("**CRO**") and (b) chemistry, manufacturing, and control ("**CMC**") / contract development and manufacturing organization ("**CDMO**") capabilities. We are the fastest-growing Indian CRDMOs among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (*Source: F&S Report)* Our CRDMO platform provides multiple entry points for us to acquire customers in the intermediate stages of their new drug discovery to commercialization journey. We are also one of the few CRDMOs to have a unique delivery model of having research laboratories for discovery and development located near overseas innovation hubs at Watertown (Greater Boston, MA), United States ("**US**") and Manchester, United Kingdom ("**UK**"), complemented by large-scale research laboratories and manufacturing facilities in cost competitive locations in India. (*Source: F&S Report*) During the Financial Year 2024, we served more than 280 innovator pharmaceutical companies, including 18 of the top 25 pharmaceutical companies (in terms of revenue for the calendar year 2023), across regulated markets, including the US, the UK, Europe and Japan. (*Source: F&S Report*) During the Financial Year 2024, we also provided CRO services to more than 60 customers on an ongoing basis, for their integrated drug discovery programs. As of March 31, 2024, our CDMO product portfolio included more than 150 innovator pharmaceutical products, including 38 products that were supplied for manufacturing of 28 commercial drugs. A brief summary of our CRO and CDMO services is set out below:

- Our CRO services include integrated discovery ("**Discovery**") capabilities across biology, chemistry, and drug metabolism and pharmacokinetics ("**DMPK**"). We have provided services for more than 140 small molecule discovery programs in the past five years and to more than 100 customers in the past three years. At least five of the discovery programs that we have provided services for have culminated in the approval of drugs that are now commercially available in the market and at least 40 programs having resulted in Investigational New Drug ("**IND**") filings. During the Financial Year 2024, we served more than 60 customers, for their integrated drug discovery programs, an increase from 29 customers in the Financial Year 2019. We provide Discovery services through our Unit II Hyderabad Facility (as defined below) and Greater Boston Facility (as defined below).
- Our CDMO services include comprehensive capabilities that support our customers in the development and scaling up production of active pharmaceutical ingredients ("**APIs**") (i.e., the active ingredients used in medications) and intermediates (i.e., chemical compounds used for the manufacture of APIs) for clinical phase and commercial phase supplies. As of March 31, 2024, our development and manufacturing portfolio consisted of 38 APIs and intermediates used in the manufacturing of 28 commercial drugs, including seven blockbusters (drug products with annual sales of over US$1 billion in the Financial Year 2023) and 11 products for ten APIs that were either undergoing or had completed Phase III clinical trials (*Source: F&S Report*). This portfolio of 49 commercial and late phase products as of March 31, 2024, increased from 23 products, as of March 31, 2019, representing a 113% growth in our portfolio over the five-year period. The commercial and late phase products typically offer higher potential for return and a stable source of revenue given that they are commercialized or close to commercialization. In addition, our portfolio consists of more than 100 products in various stages of development across pre-clinical, Phase I and Phase II clinical trial stages. We provide these CMC services through our Unit IV Bidar Facility (as defined below), Unit II Hyderabad Facility (as defined below) and Manchester Facility (as defined below). Our CMC services are broadly classified as early-phase (pre-clinical to Phase II) and late phase (commercial, Phase III and post-Phase-III products).

Our product portfolio and customer base are diversified, encompassing commercial, late-stage and early-stage CMC molecules and discovery programs. As of March 31, 2024, no single customer accounted for more than 9.55% of our revenue from operations. Additionally, we are also one of the few Indian CRDMOs to combine discovery and development operations in the US, the UK and India, with manufacturing capabilities in India. (*Source: F&S Report*) We have strategic presence, located in close proximity to innovation clusters in Boston, US and Manchester, UK. Presence in innovation hubs facilitates access to the latest research trends, talented global workforce, and potential collaboration within innovation hubs, while our facilities in India offer a cost-competitive advantage for conducting drug discovery research activities at scale, development and large-scale commercial production of products (*Source: F&S Report*). Our continuing and expanding customer relationships are developed by our 16-member business development team, distributed across US, UK, Europe, and Japan.

We provide our services through our globally accredited manufacturing and R&D facilities with quality systems that are supported by a qualified pool of scientists, engineers, and other scientific staff. As of March 31, 2024, we had 2,125 scientific staff, with majority of our scientific team holding advanced degrees, including 276 PhDs and 1,343 master's degrees. Our manufacturing facilities have received several regulatory approvals from the United States Food and Drug Administration ("**USFDA**"), the Pharmaceuticals and Medical Devices Agency, Japan ("**PMDA**") and the state level drug control departments which are arms of the Central Drug Standards Control Organization, India ("**CDSCO**"). During the past three Financial Years, our manufacturing units were subject to more than 75 audits by our customers. These facilities feature flexible manufacturing setups, including large scale reactors for high-volume products and some production areas specifically designed to accommodate modern drug development pipelines that produce relatively smaller quantities but involve more intricate chemical processes.

Furthermore, we are led by an experienced management team, with our senior management having an average of more than 25 years' experience in the global CRDMO industry. Our management team is guided by our Chairman and Whole time Director, Kanumuri Ranga Raju and Managing Director and Chief Executive Officer, Krishnam Raju Kanumuri. As of March 31, 2024, we had 2,845 employees, with capabilities across the CRDMO value chain. We are supported by an experienced Board and financial investors, including TPG Asia VII SF Pte Ltd and HBM Private Equity India, who have partnered with us since 2018 and 2016, respectively. Our Board is committed to corporate governance principles that ensure accountability, fairness, and transparency in our business practices.

We seek to maintain high standards of health, safety, and environment ("**HSE**") across all our facilities, including fire protection systems, effective effluent and waste management practices and containment systems that enables efficient handling of chemicals within a closed ecosystem, minimizing exposure to both employees and the environment while also ensuring plant safety. We are committed to sustainability and have adopted several environment, social and governance ("**ESG**") strategies and initiatives to mitigate the environmental impact of our operations. For example, as part of an energy conservation plan, we have identified and executed various initiatives of energy savings in production, utilities and effluent treatment in Financial Year 2024, including the centralization of air compression and installation of energy efficient pumps. We also increased the use of renewable energy at our Unit IV Bidar Facility, to 89% in Financial Year 2024 from 67% in the Financial Year 2022, resulting in reduction of carbon di-oxide emissions. Furthermore, we are the first India-headquartered Company to become a member of the Pharmaceutical Supply Chain Initiative's ("**PSCI**") and have also received silver rating sustainability by EcoVadis, a global provider of business sustainability ratings.

For Financial Years 2024, 2023 and 2022, our total revenue from operations grew at a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our EBITDA grew at a CAGR ("**EBITDA CAGR**") of 51.32% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our profit after tax grew at a CAGR of 264.70% from Financial Year 2022 to Financial Year 2024.

The following table sets forth certain financial and operational information, as of and for the periods indicated:

S.No.	Metrics	Units	Financial Year 2024	Financial Year 2023	Financial Year 2022
1.	Total revenue from operations	(in ₹ million)	14,651.78	12,171.39	8,695.93
2.	Revenue from contract research	(in ₹ million)	4,971.70	4,671.19	2,737.28
3.	Revenue contribution from contract research(1)	(%)	33.85	39.03	31.49
4.	Revenue from contract development and manufacturing	(in ₹ million)	9,715.53	7,298.30	5,953.96
5.	Revenue contribution from contract development and manufacturing(2)	(%)	66.15	60.97	68.51
6.	Year on year revenue growth(3)	%)	20.38	39.97	-
7.	EBITDA(4)	-	3,001.15	1,822.33	1,310.63
8.	Year on year EBITDA growth(5)	(%)	64.69	39.04	-
9.	EBITDA margin(6)	(%)	20.48	14.97	15.07
10.	Capital expenditure(7)	(in ₹ million)	1,892.15	951.95	1,935.24
11.	Profit before tax	(in ₹ million)	1,092.34	164.08	96.95
12.	Profit after tax	(in ₹ million)	828.09	99.89	62.26
13.	Profit after tax margin(8)	(%)	5.65	0.82	0.72
14.	Return on capital employed (ROCE)(9)	(%)	10.26	5.13	3.21
15.	Return on equity (ROE)(10)	(%)	8.49	1.12	0.71
16.	Net debt / equity(11)	-	0.75	0.80	0.84
17.	Net debt/ EBITDA(12)	-	2.43	3.90	5.61
18.	Gross fixed asset turnover (13)	(%)	87.25	85.81	69.02

S.No.	Metrics	Units	Financial Year 2024	Financial Year 2023	Financial Year 2022
19.	Net working capital days(14)	-	122	140	204
20.	Total borrowings(15)	(in ₹ million)	7,101.63	6,992.29	7,513.18
21.	Total number of scientific staff	-	2,125	2,012	1,779
22.	Number of commercial molecules in the CMC portfolio	-	28	22	22
23.	Number of Phase III (in progress or completed) molecules in the CMC portfolio	-	10	6	4
24.	Total number of employees	-	2,845	2,677	2,400

Notes:

(1) Revenue contribution from contract research is calculated as revenue from contract research divided by revenue from contract research, development and manufacturing activities.

(2) Revenue contribution from contract development and manufacturing is calculated as revenue from contract development and manufacturing divided by revenue from contract research, development and manufacturing activities.

(3) Year on year revenue growth is calculated as the current period revenue minus prior period revenue divided by prior period revenue.

(4) EBITDA is calculated as the aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.

(5) Year on year EBITDA growth is calculated as the current period EBITDA minus prior period EBITDA divided by prior period EBITDA.

(6) EBITDA margin is calculated as EBITDA divided by revenue from operations.

(7) Capital Expenditure is calculated as the addition of property, plant and equipment during the year plus other intangible assets during the year less the balance of capital work in progress at beginning of the year plus balance of capital work in progress at end of the year.

(8) Profit after tax margin is calculated as the restated profit after tax divided by revenue from operations.

(9) ROCE is calculated as EBIT divided by capital employed. EBIT is calculated as aggregate of restated profit before tax, finance costs, for the relevant year. Capital employed is calculated as aggregate of total equity, total borrowings including lease liabilities.

(10) ROE is calculated as profit for the year divided by total equity for the relevant year.

(11) Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits.

(12) Net Debt divided by EBITDA. Net Debt is calculated as aggregate of total borrowings and total lease liabilities minus aggregate of cash and cash equivalents, other bank balances and current fixed deposits. EBITDA is calculated as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year.

(13) Gross fixed asset turnover is calculated as revenue from operations divided by gross fixed assets.

(14) Net working capital days is calculated as net working capital divided by revenue from operations. Net working capital is calculated as current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) minus current liability (excluding borrowings, lease liability and provision for gratuity and compensated absences).

(15) Total borrowings is calculated as aggregate of current borrowings and non-current borrowings.

Significant Factors Affecting Our Financial Condition and Results of Operations

The following are key factors that have affected, and are expected to affect, our results of operations:

Relationship with our customers

Our revenue is mainly generated from discovery, R&D and manufacturing related to APIs (i.e., the active ingredients used in medications) and intermediates (i.e., compounds used with other substances to create APIs) for human and animal health medicines. Increase in demand from existing customers and the acquisition of new customers have been the key drivers of growth, historically. We seek to increase average spending from existing customers through deeper engagement and cross selling our services. We serve a diverse customer base of more than 280 innovator pharmaceutical companies that includes global pharmaceutical companies and biotechnology firms in Financial Year 2024. Our clientele includes 18 out of the top 25 pharmaceutical companies, in terms of revenue for the calendar year 2023, across regulated markets, including the US, the UK, Europe and Japan (*Source: F&S Report)*. For more information on our customer base, please refer to the section "*Our Business – Strengths – Long-standing relationship with a diverse base of existing and new customers*" on page 160. For Financial Years 2024, 2023 and 2022, our top ten customers generated revenue of ₹6,777.39 million, ₹4,892.09 million and ₹3,785.25 million, respectively, accounting for 46.26%, 40.19% and 43.53% of our revenue from operations in those periods, respectively.

Competition

The domestic and international CRDMO industry is a competitive market, which could make it challenging to increase our market share and profitability. The success of our Company is largely contingent upon the end products that we are involved in researching and developing or manufacturing for our pharmaceutical innovators. Given the similarities in chemical and tentative compositions, our competitive advantage is significantly influenced by the efficacy and outcomes of clinical trials associated with these products, which are beyond our control. Superior clinical outcomes from a competitor can shift market preferences and potentially lead to a reduction in our revenue streams, as patients and medical professionals may opt for the product with better clinical trial results, ultimately reducing the demand for our services.

Competitive pressures affect the pricing of our contracts. Greater competition for a particular service will generally have a negative impact on our pricing. In addition, our ability to win new business and retain existing client business is also impacted by the competitive landscape. The CRDMO industry is globally competitive, with many domestic pharmaceutical companies that produce generic drugs announcing their intentions to enter this sector. Moreover, CRDMOs do not control market performance because the final product remains with the customer. Consequently, even if a CRDMO delivers its services effectively, the final product may not receive approval, or its market performance might be subdued due to superior competing products. This could result in a diminished demand for our services. We will continue to seek to distinguish our service offerings by providing quality services at competitive prices.

Expansion of R&D and manufacturing capacity and capabilities

We currently undertake R&D & manufacture of clinical supplies at our Unit II Hyderabad Facility and Manchester Facility and manufacture of clinical and commercial supplies at our Unit IV Bidar Facility and Unit III Bollaram Facility. Our manufacturing facilities have received several regulatory approvals from the United States Food and Drug Administration, the Pharmaceuticals and Medical Devices Agency, Japan, the Central Drug Standards Control Organization, India in accordance with EU Written Confirmation requirements, among others. We intend to expand our Discovery and CMC offerings to build differentiated technical capabilities, including antibody drug conjugates, oligonucleotides, peptides, mRNA therapeutics, cell and gene therapies and animal health API. To meet the demand of our growth plan, we are adding new production blocks and ancillary facilities in the Unit IV Bidar Facility as well as the new Unit VI Bidar Oncology Facility. Additionally, to meet the needs of our growing portfolio of customers availing Discovery services and additional growth opportunities in view of increased R&D spending by large pharmaceutical and biotechnology companies, increase in pharmaceutical and biotechnology outsourcing and shifting geopolitical dynamics, we are in the process of expanding our Discovery laboratory capacity by fully utilizing the available space in Unit II Hyderabad Facility, Hyderabad, India. For more details on these growth opportunities, please see "*Industry Overview*" on page 127. As of the date of this Draft Red Herring Prospectus, we are in the process of building chemistry and associated analytical facilities, biology laboratories and additional facilities for *in-vivo* studies at our Unit II Hyderabad Facility. Furthermore, we are in the process of strengthening our existing offerings in flow chemistry, particle sciences and early-stage formulation development and supply through the addition of new infrastructure and scientific staff.

As a result of our plan to expand our manufacturing capacity and capabilities, we anticipate an increase in material cost, employee benefits expenses, power and utility costs, depreciation, interest and other operating expenses in line with the expected increase in revenue.

Material costs

Material costs include the cost of material, chemicals and reagents consumed and changes in inventories of work-in-progress. We procure these materials from suppliers, both in India and overseas, however the price and availability of such raw materials depends on several factors beyond our control, including geopolitical situations, overall economic conditions, foreign exchange rate, production levels, market demand and competition for such materials, production and transportation cost, duties and taxes and trade and regulatory restrictions. Material costs for the Financial Years 2024, 2023 and 2022, were ₹4,457.30 million, ₹4,225.87 million and ₹2,667.61 million, respectively. As a percentage of revenue from operations for the Financial Years 2024, 2023 and 2022 material costs were 30.42%, 34.72% and 30.68% respectively. Our material costs as a percentage of revenue from operations has decreased from 34.72% in Financial Year 2023 to 30.42% in Financial Year 2024. This improvement is mainly due to production efficiencies, changes in our product mix, a decline in global commodity prices for raw materials, and the benefits of economies of scale.

Employee benefits expense

Employee benefits expense constitutes a substantial component of our costs and is an important factor in determining our profitability. Although the relatively lower cost of skilled labor has been an important factor in the success of Indian outsourcing businesses, including our own, our per-employee benefits expense has increased in line with general compensation trends in India. In addition, our employee headcount has grown with the expansion of our business. Employee benefits expense for 2024, 2023 and 2022, was ₹4,949.05 million, ₹4,172.86 million and ₹3,089.70 million, respectively, and our employee headcount figures for those periods were 2,845, 2,677 and 2,400, respectively. As a percentage of revenue from operations for Financial Years 2024, 2023 and 2022, employee benefits expense stood at 33.78%, 34.28% and 35.53%, respectively.

We expect that our employee benefits expense will continue to increase over the coming years due to continued escalation in salaries and benefits as well as headcount growth. While we will seek to reflect compensation increases in our pricing, an inability to pass on such increases to our clients will adversely affect our profitability. In previous periods, we have been able to partially cover the increase in employee benefits expense through upward rate revisions in our client contracts and distributing these expenses over an expanding revenue base.

Fluctuations in the exchange rate between the Indian Rupee and the U.S. dollar

Our financial statements are reported in Indian Rupees. However, many of our other costs, including portion of employee benefits expense and a portion of our material costs, are USD-denominated or Pound sterling-denominated. Fluctuations in the exchange rate between the Indian Rupee and the U.S. dollar, therefore, affect our results of operations. For example, depreciation of the Indian Rupee against the U.S. dollar would generally expand our Indian Rupee-reported revenues, while at the same time increasing our capital expenditure outlays and material costs. Similarly, an appreciation of the Indian rupee against the U.S. dollar would generally have the contrary effects. For exchange rate information, please refer to the section "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation*" on page 13.

We typically hedge a maximum of 70% of our expected net foreign exchange exposure for a period of up to one year, which is revised upwards or downwards, as appropriate, on a rolling basis.

Most of our current outstanding exposure is hedged through forward contracts and currency swaps.

For the Financial Years 2024, 2023 and 2022, we recorded gains from net foreign exchange of ₹146.26 million, ₹173.02 million and ₹97.84 million, respectively.

Profitability metrics

We are the fastest-growing Indian CRDMO among listed Indian peers in terms of revenue CAGR as well as EBITDA CAGR from Financial Year 2022 to Financial Year 2024. (*Source: F&S Report*) This growth is complemented by a trend of improving margins. Our strategic initiatives which are focused on operational efficiencies, cost management and value creation allow us to not only grow but also improves our profitability and return on capital. For Financial Years 2024, 2023 and 2022, our total revenue from operations was ₹14,651.78 million, ₹12,171.39 million and ₹8,695.93 million, respectively, representing a CAGR of approximately 29.80% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our EBITDA margin was 20.48%, 14.97% and 15.07%, respectively and the EBITDA CAGR was 51.32% from Financial Year 2022 to Financial Year 2024. For Financial Years 2024, 2023 and 2022, our profit after tax was ₹828.09 million, ₹99.89 million and ₹62.26 million, respectively, representing a CAGR of 264.70% from Financial Year 2022 to Financial Year 2024. One of the reasons for this significant growth is a lower base of calculation of Financial Year 2022, which was affected due to the COVID-19 pandemic. During the pandemic, drug discovery budgets were reduced as efforts shifted towards the development of COVID-19 vaccines, leading to decreased business opportunities for us and our manufacturing capacity utilization was down by 21% for the Financial Year 2022. The pandemic also resulted in higher operating cost, including utility and transportation costs, in adherence with applicable social distancing guidelines. We believe that this was a one-time occurrence due to the pandemic and may not be comparable to other financial periods. Consequently, the recent financial performance in terms of increase in CAGR should not be seen as indicative of future results.

Material Accounting Policies

(1) Basis of preparation and statement of compliance

The Restated Consolidated Financial Information of the Company and its subsidiaries comprises of the Restated Consolidated Statements of Assets and Liabilities as at March 31, 2024, 2023 and 2022, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statements of Changes in Equity and the Restated Consolidated Statements of Cash Flows for the years ended March 31, 2024, 2023 and 2022 and the Summary of Material Accounting Policies and explanatory notes (collectively, the "**Restated Consolidated Financial Information**"). The Restated Consolidated Financial Information were authorized for issuance by the Company's Board of Directors on July 10, 2024.These Restated Consolidated Financial Information has been prepared by the management of the Company for the purpose of inclusion in this Draft Red Herring Prospectus 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 prepared on the historical cost convention and on an accrual basis except for the following material items in the restated consolidated statement of assets and liabilities:

- certain financial assets and liabilities which are measured at fair value; and
- share based payments, which are measured at fair value of the options.

These Restated Consolidated Financial Information have been compiled by the Company's management from the audited consolidated financial statements of the Company as at and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 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 Financial Statements**"), which have been approved by the Company's Board of Directors at their meetings held on May 21, 2024, August 9, 2023 and August 17, 2022, respectively.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of Consolidated Financial Statements as at and for the year ended March 31, 2024.

Subsequent to March 31, 2024, pursuant to a resolution of shareholders dated June 11, 2024, each equity share of face value of INR 10 each of the Company has been split into ten equity shares of face value of INR 1 each (the "**Split**"). As required under Ind AS 33 "Earnings per share", the effect of such Split 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 has been considered in these Restated Consolidated Financial Information for the purpose of calculation of earnings per share (refer note 36 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 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 March 31, 2023 and March 31, 2022 to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the year ended March 31, 2024; and

(b) do not require any adjustment for modification as there is no modification in the underlying audit reports.

The auditor's report dated August 17, 2022 on the Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2022 includes following other matter paragraph:

Other Matter:

"*We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs. 1.36 million as at March 31, 2022, total revenues of Rs. NIL and net cash inflows amounting to Rs. 1.36 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is 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.*

Our opinion is not modified in respect of this matter."

The special purpose financial statements as at and for the year ended March 31, 2022, of such subsidiary have been subsequently audited by an independent chartered accountant who have issued an audit report dated July 10, 2024 which report is unmodified and includes an emphasis of matter paragraph as follows:

Emphasis of Matter:

"We draw attention to Note 1(a) to the Special Purpose financial statements which indicates that the company had prepared special purpose financial statements for the financial year 2021-22 solely for the purpose of inclusion in the restated consolidated financial information of Sai Life Sciences Limited, Parent Company, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 in relation to the proposed initial public offering of the Parent Company.

Our opinion is not modified in respect of this matter."

The Restated Consolidated Financial Information do not require any adjustment for the above-mentioned Other Matter paragraph.

Functional and presentation currency

The Restated Consolidated Financial Information is presented in Indian Rupee ("**INR**" or "**₹**") which is also the functional and presentation currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest millions, unless otherwise stated. In respect of subsidiaries whose operations are self-contained and integrated within their respective countries/regions, the functional currency has been determined to be the local currency of those countries/regions.

(2) Use of estimates and judgements

The preparation of Restated Consolidated Financial Information in conformity with Ind AS requires management to make judgments, estimates and assumptions that 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 such changes are made and if material, their effects are disclosed in the notes to the Restated Consolidated Financial Information.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements.

Revenue recognition

The Company applies judgement to determine whether each product or service promised to a customer are capable of being distinct, and are distinct in the context of the contract, if not, the promised product or services are combined and accounted as a single performance obligation. Revenue will be recognised as the customer obtains control of the product and services promised in the contract. Given the nature of the product and terms and conditions in case of certain contracts, the customer obtains control as the Group performs the work under the contract. Therefore, revenue is recognised over time for such contracts and for other contracts at a point in time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Further, the Company uses the percentage of completion method to measure progress towards completion in respect of fixed price contracts. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Assumptions and estimation uncertainties

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

Items requiring significant estimate	Assumption and estimation uncertainty
Useful lives of property, plant and equipment and Intangible assets	The Company reviews the estimated useful lives of property, plant and equipment and the intangible assets at the end of each reporting period. During the current year, there has been no change in life considered for the assets.
Estimation of net realisable value of inventories	Inventories are stated at the lower of cost and net realisable value. In estimating the net realisable value of inventories the Company makes an estimate of future selling prices and costs necessary to make the sale. At the end of each reporting year, the Company assesses the potential usage of inventories held and judgements are involved in assessing the alternate usage and realisability of inventories.
Fair valuation measurement and valuation process	Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.
Contract assets	Contract asset is recognised when the performance obligations are fulfilled, and revenue is recognised over a period of time. Judgement is involved in assessing whether the contract/agreement meets the criteria for recognition of revenue over the period on percentage of completion. Estimates are involved in determining the percentage of completion of the contract
Leases	The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future years is reassessed to ensure that the lease term reflects the current economic circumstances. The Company makes an assessment of the buyback option while determining the useful life for amortizing the right of use assets.
Employee benefits	The Company uses actuarial assumptions to determine the obligations for employee benefits at each reporting date. These assumptions include the discount rate, expected long-term rate of return on plan assets, rate of increase in compensation levels and mortality rates.
Provisions, contingencies - Recognition and measurement of provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources	The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in the notes to the consolidated financial statements.
Loss allowance for trade receivables	Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.
Government grants	The Company recognises government grants only when there is no uncertainty on compliance with conditions attached and on receipt of grants. Judgments are involved in assessing compliance with conditions and ultimate receipt of grants.
Share based compensation	At the end of each reporting year, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in restated consolidated statement of profit and loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.
Provision for taxes	Significant judgments are required in determining the provision for income taxes, including the amount expected to be paid/ recovered for uncertain tax positions. In assessing the realisability of deferred income tax assets, the Management considers whether some portion or all of the deferred income tax assets will not be realised. The ultimate realisation of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of deferred income tax assets considered realisable, however,

Items requiring significant estimate	Assumption and estimation uncertainty
	could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

(3) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Restated Financial Information of subsidiaries are included in the Restated Consolidated Financial Information from the date on which control commences until the date on which control ceases. The Restated Consolidated Financial Information of the Company are consolidated on line-by-line basis. Intra-group transactions, balances and any unrealised gains arising from intra-group transactions, are eliminated. Unrealized losses are eliminated, but only to the extent that there is no evidence of impairment. All temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions are recognized as per Ind AS 12, Income Taxes.

Following are the subsidiaries considered in these Restated Consolidated Financial Information:

Name of the subsidiary	% of holding by Parent	Country of Incorporation
Sai Life Sciences Inc	100	USA
Sai Life Pharma Private Limited	100	India
Sai Life Sciences GmbH	100	Germany
Sai Life Drugform Private Limited*	100	India

**Sai Life Drug form Private Limited applied for strike-off on March 25, 2022 and this application was approved by MCA on April 26, 2023.*

(4) Summary of material accounting policies

The Restated Consolidated Financial Information has been prepared using the material accounting policies and measurement basis summarized below.

Current and non-current classification

All the 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 Act. The Company presents assets and liabilities in the restated consolidated statement of assets and liabilities based on current/ non-current classification.

An **asset** is classified as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- expected to be realised within twelve months after the reporting date, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A **liability** is classified as current when:

- it is expected to be settled in normal operating cycle,
- it is due to be settled within twelve months after the reporting date, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency of the Company using the exchange rates at the dates of the transactions or at the rate that closely approximates the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognizes the nonmonetary asset or non-monetary liability arising from payment or receipt of advance consideration Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at the exchange rates prevailing at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the restated consolidated statement of profit and loss and reported within foreign exchange gains/ (losses), net.

Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (subsidiaries) that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve ("**FCTR**"), a component of equity, except to the extent that the translation difference is allocated to non-controlling interest. The assets and liabilities of foreign operations (subsidiaries) are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or at an average rate if the average rate approximates the actual rate at the date of the transaction. Foreign currency translation differences are recognized in OCI and accumulated in equity (as exchange differences on translating the consolidated financial statements of a foreign operation).

Revenue recognition

Revenue is measured at the transaction value of the consideration received or receivable.

Contract research, development and manufacturing services income: In contracts involving the rendering of services/ development contracts, revenue is recognized at the point in time in which services are rendered. In case of fixed price contracts, the customer pays a fixed amount based on the payment schedule and the Company recognizes revenue on the basis of input method of Percentage of completion. If the services rendered by the Company exceed the payment, a contract asset (unbilled revenue) is recognized. If the payments exceed the services rendered, a contract liability (deferred revenue and advance from customers) is recognized. If the contracts involve time-based billing, revenue is recognized in the amount to which the Company has a right to invoice.

Revenue from the operations is recognized when the Company transfers control of the product. Control of the product transfers upon shipment of the product to the customer or when the product is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the product shipped. Amounts disclosed as revenue are net of returns, trade allowances, rebates and indirect taxes.

'Bill and hold' sales, in which delivery is delayed at the buyer's request but the buyer takes title and accepts billing, revenue is recognized when the buyer takes title, provided:

(a) it is probable that delivery will be made;

(b) the item is on hand, identified and ready for delivery to the buyer at the time the sale is recognized;

(c) the buyer specifically acknowledges the deferred delivery instructions; and

(d) the usual payment terms apply.

Revenue is not recognized when there is simply an intention to acquire or manufacture the goods in time for delivery.

Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR) method.

Dividend income

Dividend income is recognized when the Company's right to receive the payment is established, which is generally, when shareholders approve the dividend.

Export incentives

Export incentives are recognized as income when the 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.

Property, plant and equipment ("PPE") and depreciation

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located. Property, plant and equipment not ready for its intended use at the date of the balance sheet are disclosed as "capital work in progress". Such items are classified to specific sections of the property, plant and equipment as and when ready for its intended use.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Any gain or loss on disposal of an item of PPE is recognized in restated consolidated statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation on items of PPE is provided on the straight-line method, computed on the basis of useful lives as estimated by the management which coincides with the useful lives mentioned in Schedule II to the Companies Act, 2013. Freehold land is not depreciated.

The estimated useful lives of the assets are based on a technical evaluation reflecting actual usage of assets.

Asset Category	Estimated useful life (in years)
Buildings	30
Leasehold improvements	Over the lease period
Plant and equipment	3-20
Furniture	10
Freehold Vehicles	4-10
Freehold Computers	3-6

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Intangible assets and amortization

Intangible assets acquired separately

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses, if any. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in restated consolidated statement of profit and loss as incurred.

The intangible assets are amortized over the estimated useful life of the asset, on a straight-line basis.

Estimated useful economic life of intangibles are as follows:

Asset Category	Estimated useful life (in years)
Acquired Software	1 – 6

Impairment

Impairment of tangible and intangible assets

The carrying amounts of the Company's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized in the restated consolidated statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been previously recognized.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on financial assets measured at amortized cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortized cost are deducted from gross carrying amount of the assets.

Impairment of property, plant and equipment, intangibles assets and capital work in progress

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount in the consolidated statement of profit and loss.

Inventories

Inventories are measured at the lower of cost and net realisable value. The method of determining cost of various categories of inventories is as follows:

(i) Raw materials – Weighted average cost. Cost includes purchase cost and other attributable expenses
(ii) Stores and spares and packing material – Weighted average cost
(iii) Finished goods and work-in-process - is based on average cost of production or conversion which comprises direct material costs, direct wages and applicable overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Measurement of fair values

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Financial instruments

Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss ("**FVTPL**"), fair value plus transaction costs that are directly attributable to its acquisition or issue, except trade receivables which are measured at transaction price.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- fair value through other comprehensive income ("**FVOCI**") – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ("**EIR**") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in Other Income in the restated consolidated statement of profit and loss. The losses arising from impairment are recognized in the restated consolidated statement of profit and loss.

FVOCI – debt investment

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income ("**OCI**"). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the restated consolidated statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to restated consolidated statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

FVTOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment-by-investment basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the

Instrument, including foreign exchange gain or loss and excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the restated consolidated statement of profit and loss.

FVTPL

All financial assets not classified as measured at amortized cost or at FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in restated consolidated statement of profit and loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in restated consolidated statement of profit and loss. Any gain or loss on derecognition is also recognized in restated consolidated statement of profit and loss.

De-recognition

Financial assets

A financial asset is primarily de-recognized 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; or the Company has neither transferred nor retained substantially all the risk and rewards of the asset but has transferred control of the asset.

Trade receivables which are subject to a factoring arrangement without recourse are derecognized from the restated consolidated statement of assets and liabilities in its entirety. Under this arrangement, the Company transfers relevant receivables to the factor in exchange for cash and does not retain credit risk.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the restated consolidated statement of assets and liabilities if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments:

Derivatives are initially recognized at fair value on 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 accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions and variable interest rate risk associated with borrowings (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are also classified as a current asset or liability when expected to be realised/settled within 12 months of the balance sheet date.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the option contract as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the option contracts are recognized in the cash flow hedging reserve within equity. The changes in the time value of the option contracts that relate to the hedged item (aligned time value) are recognized within other comprehensive income in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognized within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are transferred to profit or loss as follows:

- With respect to gain or loss relating to the effective portion of the intrinsic value of option contracts, both the deferred hedging gains and losses and the deferred aligned time value of the option contracts are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).
- With respect to gain or loss relating to the effective portion of the spot component of forward contracts, both the deferred hedging gains and losses and the deferred aligned forward element of the forward contract are included within the initial cost of the asset. The deferred amounts are ultimately recognized in profit or loss as the hedged item affects profit or loss (for example, through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognized in profit or loss within 'finance cost'.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses). Hedge ineffectiveness is recognized in profit and loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

Dividend distribution to equity holders of the Company

The Company recognizes a liability to make dividend distributions to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. 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. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the restated consolidated statement of assets and liabilities and lease payments have been classified as financing cash flows.

Cash and cash equivalents

Cash and cash equivalent in the restated consolidated statement of assets and liabilities comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Government grants

The Company recognizes government grants 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 by deducting the grant from the carrying amount of the asset. Grants related to Income are recognized in restated consolidated statement of profit and loss as other operating revenues.

Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee’s salary.

Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period as the related service is provided. These benefits include salaries and wages, bonus and ex-gratia. A liability is recognized for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Long-term employee benefits

Employee benefits payable after twelve months of receiving employee services are classified as long-term employee benefits. These benefits primarily include one-off retention incentive and long-term bonus provision, in accordance with the policy of the Company. The Company accrues these costs based on the expected payout and the same is amortized over a period of services.

Gratuity

The Company provides for gratuity, a defined benefit plan (the “**Gratuity Plan**”) covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s last drawn salary and the tenure of the employment with the Company. Liability with regard to the Gratuity Plan is determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method. The defined benefit plan is administered by a trust formed for this purpose through the Company gratuity scheme. The Company recognizes the net obligation of a defined benefit plan as a liability in its restated consolidated statement of assets and liabilities. Gains or losses through re-measurement of the net defined benefit liability are recognized in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments are recognized in the restated consolidated statement of profit and loss. The net interest on net defined benefit liability which reflects the change in net defined benefit liability that arises from the passage of time is considered as finance cost and disclosed under “Finance costs”.

Compensated absences

The Company’s policy permits employees to accumulate and carry forward a portion of unutilized compensated absences and utilize them in future periods or receive cash in lieu thereof in accordance with the terms of such policy. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet.

Share based compensation

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

Income taxes

Tax expense recognized in the restated consolidated statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognized in OCI or directly in equity, in which case it is recognized in OCI or directly in equity respectively.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period and any adjustment to tax payable in respect of previous years. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liability are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the Company and all such taxes are recognized in the restated consolidated statement of changes in equity as part of the associated dividend payment.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to 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 equity shareholders and the weighted average number of equity shares outstanding during the year for the effects of all dilutive potential equity shares.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Operating cycle

As mentioned above, the Company is into contract research and manufacture of pharmaceutical products. Based on the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months. The above basis is used for classifying the assets and liabilities into current and non-current as the case may be.

Goods and Service Tax Input credit

Goods and Service tax input credit is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

Changes in Accounting Policies

There have been no changes in our Company's accounting policies in the last five years.

Results of Operations

The following table contains summary restated profit and loss data for the periods indicated:

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	% of total income	₹ in millions	% of total income	₹ in millions	% of total income
Income						
Revenue from operations	14,651.78	98.05	12,171.39	97.75	8,695.93	96.86
Other income	290.91	1.95	279.66	2.25	281.48	3.14
Total income (I)	14,942.69	100.0	12,451.05	100.0	8,977.41	100.0
Expenses						
Cost of materials, chemicals and reagents consumed	4,232.97	28.33	4,271.75	34.31	2,695.91	30.03
Change in inventories of work-in-progress	224.33	1.50	(45.88)	(0.37)	(28.30)	(0.32)
Employee benefits expense	4,949.05	33.12	4,172.86	33.51	3,089.70	34.42
Finance costs	859.10	5.75	770.57	6.19	495.71	5.52
Depreciation and amortisation expense	1,194.36	7.99	994.32	7.99	901.61	10.04
Other expenses	2,390.54	16.00	2,123.35	17.05	1,725.83	19.22
Total expenses (II)	13,850.35	92.69	12,286.97	98.68	8,880.46	98.92
Profit before tax [(I) - (II)]	1,092.34	7.31	164.08	1.32	96.95	1.08
Tax expense						
Current tax	77.57	0.52	100.28	0.81	94.21	1.05
Deferred tax	186.68	1.25	(36.09)	(0.29)	(59.52)	(0.66)
Total tax expense	264.25	1.77	64.19	0.52	34.69	0.39
Profit after tax	828.09	5.54	99.89	0.80	62.26	0.69

Key Components of Our Income Statement

Income

Total income is comprised of revenue from operations and other income. Other income includes interest income from idle funds and foreign exchange gains arising from the normal course of business.

Revenue from operations comprise the revenue from contract research and manufacturing activities, export incentive and income under the PLI scheme. Of our revenue from operations, revenue from contract research, development and manufacturing activities comprised a substantial majority in recent periods, as indicated in the breakdown below:

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	**% of total income**	**₹ in millions**	**% of total income**	**₹ in millions**	**% of total income**
Revenue from operations						
Revenue from contract research, development and manufacturing activities	14,687.23	98.29	11,969.49	96.13	8,691.24	96.81
Other operating income						
Income from export incentives	1.45	0.01	-	-	4.69	0.05
Income under production linked incentive	(36.90)	(0.25)	201.90	1.62	-	-
Revenue from operations	**14,651.78**	**98.05**	**12,171.39**	**97.75**	**8,695.93**	**96.86**

Total expenses (other than tax)

Total expenses (other than tax) consist of the following:

- costs of materials chemicals and reagents consumed, adjusted for changes in inventories;
- employee benefits expense;
- finance costs;
- depreciation and amortization expense; and
- other expenses.

Costs of materials, chemicals and reagents consumed.

The following table depicts the derivation of our material costs:

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	**% of total income**	**₹ in millions**	**% of total income**	**₹ in millions**	**% of total income**
Raw material and packing material at the beginning of the year	882.61	5.91	763.21	6.13	299.76	3.34
Add: Purchase/adjustments	3,975.83	26.61	4,391.15	35.27	3,149.75	35.09
Less: Raw material and packing material at the end of the year	(625.47)	(4.19)	(882.61)	(7.09)	(753.60)	(8.39)
Cost of materials, chemicals and reagents consumed	**4,232.97**	**28.33**	**4,271.75**	**34.31**	**2,695.91**	**30.03**
Add: Changes in inventories of work-in-progress	**224.33**	**1.50**	**(45.88)**	**(0.37)**	**(28.30)**	**(0.32)**
Material Cost	**4,457.30**	**29.83**	**4,225.87**	**33.94**	**2,667.61**	**29.71**

Employee benefits expense.

The following table depicts the breakdown of our employee benefits expense:

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	**% of total income**	**₹ in millions**	**% of total income**	**₹ in millions**	**% of total income**
Salaries, wages and bonus	4,589.81	30.72	3,876.82	31.14	2,853.47	31.79

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	**% of total income**	**₹ in millions**	**% of total income**	**₹ in millions**	**% of total income**
Contribution to provident and other funds	87.17	0.58	74.99	0.60	67.02	0.75
Gratuity expense	50.38	0.34	50.54	0.41	47.18	0.53
Equity settled share based payment expense...	22.53	0.15	8.14	0.07	22.41	0.25
Staff welfare expenses......................	199.16	1.33	162.37	1.30	99.62	1.11
	4,949.05	**33.12**	**4,172.86**	**33.51**	**3,089.70**	**34.42**

Other expenses.

The following table depicts the breakdown of our other expenses:

	Financial Year ended					
	March 31, 2024		March 31, 2023		March 31, 2022	
	₹ in millions	**% of total income**	**₹ in millions**	**% of total income**	**₹ in millions**	**% of total income**
Consumption of stores and spares	440.29	2.95	388.92	3.12	264.24	2.94
Power and fuel......................................	494.91	3.31	437.26	3.51	318.62	3.55
Rent...	20.72	0.14	51.32	0.41	13.56	0.15
Repairs and maintenance						
Buildings..	18.85	0.13	36.71	0.29	26.84	0.30
Plant and machinery.........................	178.56	1.19	172.32	1.38	232.80	2.59
Others...	190.06	1.27	231.98	1.86	165.20	1.84
Insurance	70.92	0.47	68.78	0.55	48.17	0.54
Rates and taxes....................................	24.65	0.16	36.77	0.30	51.03	0.57
Outside contract cost	56.86	0.38	39.27	0.32	30.32	0.34
Carriage and freight outwards	51.12	0.34	74.44	0.60	26.33	0.29
Communication expenses.....................	25.20	0.17	17.55	0.14	16.53	0.18
Office maintenance and housekeeping expenses	41.32	0.28	43.79	0.35	42.08	0.47
Travelling and conveyance...................	122.45	0.82	113.91	0.91	21.68	0.24
Legal and professional fees	296.84	1.99	139.62	1.12	197.59	2.20
Corporate social responsibility (CSR) expenditure..	9.38	0.06	17.45	0.14	23.62	0.26
Provision towards doubtful trade receivables..	15.90	0.11	11.52	0.09	53.73	0.60
Bad debts written off (net of recoveries)...	62.04	0.42	67.96	0.55	7.43	0.08
Provision towards doubtful advances ...	13.66	0.09	-	-	-	-
Advances written off	10.72	0.07	-	-	-	-
Bank charges	16.48	0.11	39.66	0.32	36.07	0.40
Net loss on disposal of property, plant and equipment	-	-	5.67	0.05	-	-
Sales promotion expenses.....................	30.45	0.20	11.14	0.09	51.05	0.57
Membership and subscription...............	112.34	0.75	87.52	0.70	67.59	0.75
Printing and stationery..........................	21.95	0.15	19.23	0.15	10.30	0.11
Asset under CWIP written off	61.86	0.41	-	-	-	-
Miscellaneous expenses	3.01	0.02	10.56	0.08	21.05	0.23
	2,390.54	**16.00**	**2,123.35**	**17.05**	**1,725.83**	**19.22**

Power and fuel. Power and fuel charges are mainly comprised of charges paid towards electricity charges in relation with our operations and the cost of energy.

Repairs and maintenance charges. Repairs and maintenance charges relate to expenses incurred for the maintenance of our facilities and expenses towards maintenance contracts.

Consumption of stores and spares. Consumption of stores and spares relate to expenses majorly pertaining to lab consumables, columns, spares and other ancillary laboratory materials.

Financial Year 2024 compared to Financial Year 2023

Income

Our revenue from operations in the Financial Year 2024 increased by 20.38% to ₹14,651.78 million from ₹12,171.39 million in the Financial Year 2023. This was primarily due to an increase in volume of commercial products and products in the clinical stage, which was partly offset by a reduction in the disbursement of the amount received by the Company under the PLI Scheme. The Company's application for a PLI incentive of ₹201.90 million during the Financial Year 2023 was approved in the Financial Year 2024. The Department of Pharmaceuticals issued a revision restricting the outlay in the first year (i.e. Financial Year 2023) to 33% of the overall scheme amount of ₹500.00 million (i.e. ₹165.00 million) and accordingly, the Company had reversed production linked incentive of ₹36.90 million in the Financial Year 2024. There was no income derived from the PLI scheme in the Financial Year 2024.

Total expenses (other than tax)

Our total expenses, excluding tax expenses, increased by 12.72% to ₹13,850.35 million in the Financial Year 2024, compared to ₹12,286.97 million in the Financial Year 2023. Total expenses (excluding tax expenses) as a percentage of our total income decreased to 92.69% in the Financial Year 2024 as compared to 98.68% in the Financial Year 2023. This was primarily due to a reduction in material cost (as a percentage of our total income) from 33.94% in Financial Year 2023 to 29.83% in Financial Year 2024. Decrease in our material cost is on back of improved production efficiency, changes in the product mix and decrease in raw material prices.

- Material cost increased by 5.48% to ₹4,457.30 million in the Financial Year 2024, from ₹4,225.87 million in the Financial Year 2023 as compared to the increase in our revenue of 20.48%. This was primarily due to an increase in the sale of products offset by a decrease in raw material price, production efficiency and better production mix.
- Employee benefits expense increased by 18.60% to ₹4,949.05 million in the Financial Year 2024, from ₹4,172.86 million in the Financial Year 2023. This was primarily attributable to annual increments in employee salaries, wages and bonus, as well as an increase in number of headcount.
- Finance cost increased by 11.49% to ₹859.10 million in Financial Year 2024 compared with ₹770.57 million in Financial Year 2023, primarily due to an increase in working capital loans, processing charges and a general increase in interest rates.
- Depreciation and amortization expense increased by 20.12% to ₹ 1,194.36 million in Financial Year 2024, compared with ₹994.32 million in Financial Year 2023, primarily due to capital work in progress ("**CWIP**") capitalization of property, plant and equipment for the integrated drug discovery services at the Unit II Hyderabad Facility and Unit IV Bidar Facility.
- Other expenses increased by 12.58% to ₹2,390.54 million in Financial Year 2024 compared with ₹2,123.35 million in Financial Year 2023, primarily due to an increase in power and fuel expenses commensurate to the increase in the volume of operations, consumption of stores and spares and legal professional charges, which was marginally offset by the reduction in repairs and maintenance costs.

Profit before tax

Our profit before tax, defined as total income less total expenses (other than tax) to ₹1,092.34 in Financial Year 2024 compared with ₹164.08 in Financial Year 2023, primarily due to the increase in our revenue from operations of 20.38% from ₹12,171.39 million in the Financial Year 2023 to ₹14,651.78 million in the Financial Year 2024 and a corresponding lower increase in our total expenses (other than tax) of 12.72% from ₹12,286.97 million in the Financial Year 2023 to ₹13,850.35 million in the Financial Year 2024.

Total tax expenses

Total tax expense increased to ₹264.25 million in Financial Year 2024 from ₹64.19 million in Financial Year 2023, primarily due to an increase in profits earned.

Profit, net profit margin

Our profit increased to ₹828.09 million in Financial Year 2024 compared with ₹99.89 million in Financial Year 2023. Net profit margin, defined as restated profit divided by total income, was 5.54% in Financial Year 2024.

Financial Year 2023 compared to Financial Year 2022

Income

Our revenue from operations in Financial Year 2023 increased by 39.97% to ₹12,171.39 million compared with ₹8,695.93 million in Financial Year 2022. This was primarily attributable to an increase in volume of commercial products and products in the clinical stage, addition of new customers for Discovery services, an increase in volume from existing customers and expansion of biology labs at our Unit II Hyderabad Facility and Unit IV Bidar Facility.

Total expenses (other than tax)

Our total expenses, excluding tax expenses, increased by 38.36% to ₹12,286.97 million in the Financial Year 2023, from ₹8,880.46 million in the Financial Year 2022. This was primarily due to an increase in cost of materials and employee costs. Total expenses (excluding tax expenses) as a percentage of our total income was 98.68% and 98.92% for Financial Year 2023 and Financial Year 2022, respectively, and our material cost as a percentage of our total income was 33.94% in Financial Year 2023 as compared to 29.71% in Financial Year 2022 primarily due to increase in raw material prices and low production efficiency.

- Material cost increased by 58.41% to ₹4,225.87 million in the Financial Year 2023, from ₹ 2,667.61 million in the Financial Year 2022 as compared to the increase in our revenue of 38.36%. This was primarily due to an increase in revenue from operations as well as an increase in the price of raw materials.
- Employee benefits expense increased by 35.06% to ₹4,172.86 million in the Financial Year 2023, compared to ₹3,089.70 million in the Financial Year 2022. This was primarily due to an increase in number of employees, expansion of operations and addition of new production and R&D blocks.
- Finance cost increased by 55.45% from ₹770.57 million in the Financial Year 2023 compared to ₹495.71 million in the Financial Year 2022, primarily due to an increase in loans and lease liabilities.
- Depreciation and amortisation expense increased by 10.28% to ₹994.32 million in the Financial Year 2023 compared with ₹901.61 million in the Financial Year 2022, primarily due to CWIP capitalization of property, plant and equipment mainly towards expansion of our medicinal chemistry facility within our Unit II Hyderabad Facility and addition of a new block at our Unit IV Bidar Facility.
- Other expenses increased by 23.03% to ₹2,123.35 million in Financial Year 2023 compared with ₹1,725.83 million in Financial Year 2022 was primarily due to an increase in power and fuel consumption of stores and spares and carriage and freight in line with business, and a further increase in travelling and conveyance which was offset by legal and professional expenses.

Profit before tax

Our profit before tax, defined as total income less total expenses (other than tax), increased by 69.24% to ₹164.08 million in Financial Year 2023 compared with ₹96.95 million in Financial Year 2022, principally for the reasons described above.

Total tax expenses

Total tax expense increased by 85.04% to ₹64.19 million in Financial Year 2023 from ₹34.69 million in Financial Year 2022, primarily due to an overall increase in profits earned.

Profit for the period increased to ₹99.89 million in Financial Year 2023 compared with ₹62.26 million in Financial Year 2022. Net profit margin, defined as restated profit divided by total income, was 0.80% in Financial Year 2023.

Certain Non-GAAP Measures

In evaluating our business, we consider and use certain non-GAAP financial measures that are presented below as supplemental measures to review and assess our operating performance. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for the Restated Consolidated Financial Information. We present these non-GAAP financial measures because they are used by our management to evaluate our operating performance. These non-GAAP financial measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures have limitations as analytical tools. Further, these non-GAAP financial measures may differ from the similar information used by other companies, including peer companies, and hence their comparability may be limited. Therefore, these matrices should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

EBITDA and EBITDA Margin

We define EBITDA as aggregate of restated profit before tax, depreciation and amortization expense and finance costs, less other income (excluding forex gain), for the relevant year. We define our EBITDA Margin as EBITDA divided by revenue from operations.

We have presented EBITDA in this Draft Red Herring Prospectus because it is a supplementary measure used by our management and Board of Directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

	Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
	(₹ in millions, except percentages)		
EBITDA	3,001.15	1,822.33	1,310.63
EBITDA Margin	20.48%	14.97%	15.07%

EBITDA and EBITDA Margin are not measurements of financial profitability or liquidity under Ind-AS and should not be considered as an alternative to performance measures derived in accordance with Ind-AS.

We make no representations as to the methodology used to define and/or calculate EBITDA and EBITDA Margin or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

In addition, EBITDA and EBITDA Margin are not standardized terms, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA and EBITDA Margin thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Ind-AS. Because of these and other limitations, you should consider EBITDA and EBITDA Margin along with other Ind-AS-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other Ind-AS financial results.

The following is a reconciliation of our restated profit under Ind-AS to our definition of EBITDA and EBITDA Margin:

	Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
	(₹ in millions)		
Profit after tax (A)	828.09	99.89	62.26
Add:			
Total tax expense (B1)	264.25	64.19	34.69
Finance Costs (B2)	859.10	770.57	495.71
Depreciation & Amortisation (B3)	1,194.36	994.32	901.61
Less:			
Other income excluding foreign exchange gain (B4)	(144.65)	(106.64)	(183.64)
EBITDA (B=A+B1+B2+B3+B4)	3,001.15	1,822.33	1,310.63
Revenue from operations (C)	14,651.78	12,171.39	8,695.93
EBITDA margin (D=B/C)	20.48%	14.97%	15.07%

Liquidity and Capital Resources

Our primary liquidity and funding needs have been for working capital, capital expenditures and repayment of debt. To fund these requirements in recent periods, we have relied on cash flow from operations as well as bank loans.

We believe that our current cash and cash equivalents, cash flow from operations and amounts available under existing facilities will be sufficient to meet our anticipated working capital and capital expenditure requirements, anticipated debt repayment and interest obligations and other operating needs under our current business plans and equity issuances for the next 12 months.

As of March 31, 2024, we had cash and cash equivalents (including other bank balances) of ₹1,588.00 million and our net working capital, defined as the difference between current assets (excluding cash and cash equivalents, other bank balances and current fixed deposits) and current liabilities (excluding borrowing, lease liability and provision for gratuity and compensated absences), was ₹ 4,894.90 million.

Total debt

As of March 31, 2024, we had non-current borrowings of ₹2,772.46 million, and our current borrowings (excluding current maturities of long-term loan) were ₹3,743.04 million. As of March 31, 2024, 100%, of our outstanding non-current borrowings were secured.

See *"—Description of material indebtedness*" below for more information on the terms of our borrowings and facilities.

Cash flows

The table below summarizes our cash flows for the Financial Years 2024, 2023 and 2022:

	Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
		(₹ in millions)	
Net cash flow from/(used in) operating activities......................	2,630.87	2,194.03	1,048.66
Net cash flow from/(used in) investing activities......................	(1,923.81)	(1,017.81)	(1,037.14)
Net cash flow from/(used in) financing activities......................	(952.99)	(2,006.48)	719.23
Net increase/(decrease) in cash and cash equivalents................	(245.93)	(830.26)	730.75

Operating activities

Our operating activities have consistently generated cash on a net basis in recent periods. Our net cash flow from operating activities in recent periods largely reflect the movement in our profit before tax, depreciation and amortization amount and changes in working capital. For the Financial Years 2024, 2023 and 2022, our profit before tax was ₹1,092.34 million, ₹164.08 million and ₹96.95 million, respectively, our depreciation and amortization expenses were ₹1,194.36 million, ₹994.32 million and ₹901.61 million, respectively and our changes in working capital were ₹(382.42) million, ₹349.26 million and ₹ (245.50) million, respectively. The net increase in depreciation and amortization expense in Financial Year 2024 was primarily due to CWIP capitalization of property, plant and equipment at our Unit II Hyderabad Facility for the integrated drug discovery services and at our Unit IV Bidar Facility. The increase in our profit before tax in Financial Year 2024 was primarily due to an increase in revenue coupled with leverage on account of fixed costs and lower cost of raw materials as a percentage of revenue. The change in working capital for the Financial Year 2024 was primarily due to increase in other current assets on account of increase in revenue contract assets in accordance with IND AS 115 and consequent decrease in inventories due to increased sales and optimized inventory management.

Investing activities

Net cash used in investing activity has been driven to a large extent by purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors). For the Financial Years 2024, 2023 and 2022, our purchase of property, plant and equipment and other intangible assets (including capital work in progress, capital advances and capital creditors) in those periods totaled ₹1,816.90 million, ₹1,130.75 million and ₹2,069.14 million, respectively. The net increase in our purchase of property, plant and equipment and other intangible assets expense in Financial Year 2024 was primarily due to CWIP capitalization of property, plant and equipment at our Unit II Hyderabad Facility for the integrated drug discovery services and at our Unit IV Bidar Facility.

Financing activities

Net cash flow from financing activities in recent periods largely reflects proceeds from current borrowings (net) and non-current borrowings. Our net proceeds from current borrowings (or net repayments, when the figure is indicated in brackets) in the Financial Years 2024, 2023 and 2022 were ₹248.93 million, ₹(664.36) million and ₹739.39 million, respectively. Our proceeds from non-current borrowings in the Financial Years 2024, 2023 and 2022 were ₹750.00 million, ₹300.00 million and ₹ 1,001.48 million, respectively. For the Financial Years 2024, 2023 and 2022, the interest portion of the lease liabilities was ₹(253.53) million, ₹(241.22) million and ₹(84.62) million, respectively, and the principal portion of the lease liabilities was ₹(441.05) million, ₹(345.23) million and ₹(235.95) during the same periods. The interest paid in the Financial Years 2024, 2023 and 2022 was ₹599.73 million, ₹543.82 million and ₹416.07 million, respectively. The net increase in our proceeds from current borrowings in Financial Year 2024 was primarily due to an increase in working capital limits in line with increase in operations. The increase in our proceeds from non-current borrowings in Financial Year 2024 was primarily due to amount borrowed for capital expenditure.

Capital and other commitments

As of March 31, 2024, our estimated contracts remaining to be executed on our capital account and not provided for (net of advances) were for ₹491.15 million.

We have also entered into lease agreements for the use of land and buildings, vehicles, computers and plant and equipment which expire over a period of time. Liability towards land and building and vehicles taken on lease as of March 31, 2024 provided in the table below:

	Payment due by period		
	Total	**Current**	**Non-Current**
		(₹ in millions)	
Lease liability..	2,174.97	417.76	1,757.21

Description of material indebtedness

As of March 31, 2024, our total borrowings (sum of non-current and current borrowings), on a consolidated basis was 7,101.63 million, primarily consisting of term loans and working capital loans. For a description of the principal terms and financial covenants of our material indebtedness, see "*Financial Indebtedness*" on page 305 and "*Restated Consolidated Financial Information*" on page 215. The following table provides the amounts of our outstanding current and non-current borrowings for the periods indicated:

	Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
		(₹ in millions)	
Outstanding current borrowings	4,329.17	4,382.60	4,541.47
Outstanding non-current borrowings	2,772.46	2,609.69	2,971.71
Total	**7,101.63**	**6,992.29**	**7,513.18**

Contingent liabilities

As of March 31, 2024, we did not have any material contingent liabilities other than those disclosed under note 42(b) to our "*Restated Consolidated Financial Statements*" included in this Draft Red Herring Prospectus, in accordance with the provisions of Accounting Standard 29 — "*Provisions, Contingent Liabilities and Contingent Assets.*"

Off-balance sheet arrangements

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital expenditures

Our capital expenditure primarily relates to the purchase of property, plant and equipment and intangible assets (including computers, furniture and other fixtures, vehicles, office equipment, leasehold improvements and software) and consideration paid for acquisitions. The following table sets forth details on our capital expenditures in relation to property, plant and equipment, and intangible assets, for the periods indicated:

	Financial Year ended		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
		(₹ in millions)	
Acquisition of property, plant and	1,781.21	873.39	1,878.08

	Financial Year ended		
	March 31, 2024	March 31, 2023	March 31, 2022
		(₹ in millions)	
equipment, and capital work-in progress			
Acquisition of other intangible assets and intangible assets under development...............................	110.94	78.56	57.16
Total...	**1,892.15**	**951.95**	**1,935.24**

Quantitative and Qualitative Disclosure about Market Risk

The following discussion summarizes our exposure to certain market risks and the steps we have taken to address these risks. It is difficult to accurately predict changes in economic or market conditions and anticipate the effects of such changes.

Market price risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, lease liabilities, deposits, trade receivables and other financial instruments.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure shall fluctuate because of change in foreign exchange rates. Our foreign exchange risk arises from its foreign operations, foreign currency revenues and expenses (primarily in US Dollars, British Pounds Sterling and Euros). As a result, if the value of the Indian rupee appreciates relative to these foreign currencies, our revenues and expenses measured in Indian rupees may decrease or increase and vice-versa. The exchange rate between the Indian rupee and these foreign currencies have changed substantially in recent periods and may continue to fluctuate substantially in the future. Consequently, we primarily use foreign exchange forward contracts to mitigate the risk of changes in foreign currency exchange rates in respect of its highly probable forecasted transactions and recognized assets and liabilities.

Commodity price risk

We face commodity price risk on our material purchases. These include items booked as expenses under cost of materials consumed, power and fuel expenses and cost of stores and spares. Whether they are sourced domestically or overseas, the prices of many of our raw materials are based on global prices and can fluctuate dramatically. We do not currently engage in any hedging activities against commodity price risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, we maintain flexibility in funding by maintaining availability under committed facilities.

Our Management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows. We consider the liquidity of the market in which the entity operates. In addition, our liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Our principal sources of liquidity are the cash flows generated from operations. Furthermore, we also have non-current borrowings and working capital facilities which the management believes are sufficient for its current requirements. Accordingly, no liquidity risk is perceived. We also maintain a certain level of cash balance included in cash and cash equivalents, other bank balances and fixed deposits as a part of other current financial assets to ensure smooth operations of business.

Capital risk management

Our objective when managing capital is to safeguard our ability to continue as a going concern to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, we may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, we primarily monitor our capital structure on the basis of the gearing ratio. Management is continuously reviewing its strategies to optimize the returns and reduce the risks. It includes plans to optimize our financial leverage.

Counterparty and Concentration of Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables and contract assets) and from its financing activities, including deposits with banks and other financial instruments.

We are exposed to the credit risk of our clients. We seek to minimize credit risk by limiting business dealings to business partners of high creditworthiness. We also monitor our receivables on a monthly basis. As of March 31, 2024, 2023 and 2022, we had trade receivables of ₹2,561.84 million, ₹2,840.51 million and ₹2,429.04 million, respectively.

We believe that currently there is no significant risk of loss associated with counterparty credit default, other than amounts for which we already have provided for.

Our cash and cash equivalents are placed with banks that management believes to be of high quality. We enter into derivative contracts with Indian and foreign financial institutions to hedge foreign currency exposures. We enter into these contracts with financial institutions that we believe to be of high quality.

Transactions with Related Parties

From time to time, we enter into transactions with companies which are controlled by members of our Promoter Company and other related parties in the ordinary course of our business. For the Financial Year 2024, no revenue from operations was earned from related parties as defined under Ind AS — 24. For further details on our related party transactions, see the section "*Other Financial Information - Related Party Transactions*" on page 275.

Inflation and Seasonality

High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. While inflation can increase our Rupee-denominated costs, high inflation rates in India have often been accompanied by a depreciation of the Rupee against the U.S. dollar. The currency depreciation of the Indian Rupee compared to the U.S. dollar will increase the Rupee value of our U.S. dollar-denominated revenues and have an offsetting impact on our costs. Furthermore, our operations in the US and UK face rising operating costs driven by global inflation, notably affecting energy and payroll expenses in areas where our laboratories and employees are located.

Our business does not have any significant seasonal impact. However, our customer contracts are awarded at various points during the year which may result in volatility in our quarterly results.

Additional Information

Total turnover of each major industry segment in which the company operated

We operate in one industry segment only, which is the CRDMO industry. We possess both CRO and CDMO capabilities, which we provide through our integrated discovery business and CMC business.

Our financial performance depends on the success of both our Discovery and CMC capabilities and the Company's prospects could be negatively impacted if these critical service segments of our business underperform. The table below sets forth the revenue split between the two businesses, including as a percentage of our revenue from contract research, development and manufacturing activities, for the years mentioned.

	For the Financial Year					
	2024		**2023**		**2022**	
	(₹ in millions)	***% of revenue from contract research, development and manufacturing activities***	***(₹ in millions)***	***% of revenue from contract research, development and manufacturing activities***	***(₹ in millions)***	***% of revenue from contract research, development and manufacturing activities***
Contract research	4,971.70	33.85	4,671.19	39.03	2,737.28	31.49
Contract development and manufacturing	9,715.53	66.15	7,298.30	60.97	5,953.96	68.51
Revenue from contract	14,687.23	100.00	11,969.49	100.00	8,691.24	100.00

	For the Financial Year					
	2024		2023		2022	
	(₹ in millions)	*% of revenue from contract research, development and manufacturing activities*	*(₹ in millions)*	*% of revenue from contract research, development and manufacturing activities*	*(₹ in millions)*	*% of revenue from contract research, development and manufacturing activities*
research, development and manufacturing						

Unusual or infrequent events or transactions

Except as disclosed in this Draft Red Herring Prospectus, to the best of 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 affected and we expect that it will continue to be affected by the trends identified above in *"— Significant Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on page 24. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income or revenue from operations.

Future relationships between costs and income

Other than as described in the sections "*Risk Factors*", "*Our Business*" on pages 24 and 156, respectively, and this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

New product or business segments

Except as disclosed in this Draft Red Herring Prospectus, including as described in the section "*Our Business — Strategies*", there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Competitive conditions

Our Company operates in the CRDMO industry, where accurately projecting capacity needs in accordance with future demands for R&D and manufacturing services is critical to our financial performance and operational efficiency. Our ability to remain competitive and financially healthy hinges on maintaining our high-capacity utilization, making substantial investments in our facilities, technology, and workforce ahead of the actual awarding of business by our customers. For further details, please see the sections "*Risk Factors*" and "*Our Business*" on pages 24 and 156, respectively.

Significant dependence on suppliers or customers

Other than as described in the section "*Risk Factors — External Risk Factors — We depend on a stable and adequate supply of quality raw materials from our suppliers (including international suppliers), and price increases or interruptions of such supply could have an adverse impact on our business*" on page 29 and "*Risk Factors — Internal Risk Factors — The potential loss of major customers or any of our large contracts could materially and adversely affect our business, financial condition and results of operations*" on page 28, we do not have any material dependence on suppliers or customers.

Significant developments after March 31, 2024

Except as stated below and in this Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since March 31, 2024, which materially and adversely affect or are 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.

- Allotment of 16,500 equity shares of face value ₹10 each to Sivaramakrishnan Chittor and 20,000 equity shares of face value ₹10 each to Sauri Gudlavalleti on May 21, 2024 pursuant to exercise of options under ESOP 2008 and Management ESOP 2018, respectively.
- Allotment of 10,000 equity shares of face value ₹10 each to Sriram Gopalakrishnan, 5,000 equity shares of face value ₹10 each to Srikrishna Chopperla, 12,500 equity shares of face value ₹10 each to Rajesh V. Naik pursuant to exercise of options under Management ESOP 2018 and 15,000 equity shares of face value ₹10 each to Sivaramakrishnan Chittor pursuant to exercise of options under ESOP 2008 on June 4, 2024.

- Allotment of 500,000 Equity Shares of face value ₹1 each to Fred Cohen on July 4, 2024 pursuant to preferential allotment.
- Allotment of 4,800,000 Equity Shares of face value ₹1 to Other Promoters on July 4, 2024 pursuant to conversion of CCPS.
- Allotment of 1,200,000 Equity Shares of face value ₹1 to Other Promoters on July 4, 2024 pursuant to conversion of OCPS.
- Sub-division of each equity share of face value of ₹10 each into 10 Equity Shares of face value of ₹1 each pursuant to the resolution passed by our Board and Shareholders dated June 10, 2024 and June 11, 2024, respectively.
- Re-classification of 480,000 OCPS of face value of ₹10 each to 480,000 CCPS of face value of ₹10 each pursuant to the resolution passed by our Board and Shareholders dated June 11, 2024 and July 4, 2024, respectively.
- Amendment to ESOP 2008 and Management ESOP 2018, pursuant to a resolution passed by our Board and Shareholders, each dated July 4, 2024.

For further details, see "*Capital Structure*" beginning on page 66.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2024 on the basis of the 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 Position and Results of Operations*", on pages 24, 215 and 276, respectively.

(₹ in million, unless otherwise stated)

Particulars	Pre-Offer as at March 31, 2024	As adjusted for the proposed Offer [(1)]
Total Borrowings (A)	**7,101.63**	**[●]**
Total Equity		
Equity share capital	180.50	[●]
Other equity	9,570.94	[●]
Total Equity/ Total shareholders' fund (net worth) (B)	**9,751.44**	**[●]**
Ratio: Total Borrowings (A)/ Total Equity (B)	**0.73**	**[●]**

Notes:

1. *The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*
2. *The amounts disclosed above are based on the restated financial statement of assets and liabilities included in the Restated Consolidated Financial Information.*
3. *The above statement should be read with the statement of notes to the Restated Consolidated Financial Information.*
4. *All terms shall carry the meaning as per Schedule III of the Companies Act 2013.*
5. *Post March 31, 2024, our Company allotted Equity Shares on (i) May 21, 2024 and June 4, 2024 pursuant to the ESOP Schemes to certain employees of our Company, (ii) July 4, 2024 to Fred Cohen pursuant to preferential allotment and (iii) July 4, 2024 to all CCPS and OCPS holders pursuant to reclassification of OCPS to CCPS and subsequent conversion of CCPS to Equity Shares. For details of issue price per Equity Share and name of allottees, see "Capital Structure –Notes to the Capital Structure –Share capital history of our Company" on page 66. Further, pursuant to a resolution passed by our Board on June 10, 2024 and a resolution passed by the Shareholders on June 11, 2024, each equity share of face value of ₹10 each has been sub-divided into 10 Equity Shares of face value of ₹1 each.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans and entered into financing arrangements in the ordinary course of business for purposes such as, *inter alia*, meeting our working capital requirements or business requirements and for general corporate purposes.

Our Board is empowered to borrow money in accordance with Section 179, Section 180 of the Companies Act and our Articles of Association. For details of the borrowing powers of our Board, see "*Our Management – Borrowing powers of our Board of Directors*" beginning on page 195.

Set forth below is a brief summary of our outstanding borrowings amounting as on March 31, 2024:

(in ₹ million)

Category of Borrowing**	Sanctioned Amount (to the extent applicable)	Amount outstanding as on March 31, 2024
1. Secured Borrowings		
(a) Fund Based Limits		
Term loans^	4,691.30	3,358.59
Working Capital Facilities^#	5,500.00	3,436.96
(b) Non-Fund Based Limits#		
Buyer's Credit^	2,000.00	306.08
Letter of Credit		511.53
Bank Guarantee		23.07
Total Secured Borrowings (a+b)	**12,191.30**	**7,636.23**
2. Unsecured Borrowings		
Fund Based Limits		
Term loans	-	-
Working Capital Facilities	-	-
Non-Convertible Debentures	-	-
Total Unsecured Borrowings	**-**	**-**
Total Borrowings	**12,191.30**	**7,636.23**

^ *Outstanding amount is after considering adjustments as per Ind-AS amounting to ₹9.22 million & before netting-off debit balances which is grouped under Cash & Cash equivalents of ₹92.8 million.*

\# *Includes non-fund based facilities and fund based facilities as a sub-limit.*

** *Excludes corporate credit cards, derivatives, pre and post LC bill discounting and TREDS.*

Note: As certified by Bashetty & Joshi, Chartered Accountants, by way of their certificates dated July 12, 2024 and July 29, 2024.

For further details of our outstanding borrowings as on March 31, 2024, see "*Restated Consolidated Financial Information*" beginning on page 215.

Principal terms of the borrowings availed by our Company:

1. ***Tenor and interest rate*:** The tenor of the secured and unsecured facilities ranges from 1 year to 9.25 years. The interest rates are typically linked to benchmark rates varying from 6.10% p.a. to 9.85% p.a., such as the repo rate prescribed by the RBI, treasury bill rate and marginal cost of funds-based lending rate ("**MCLR**") of the specific lender plus a spread per annum is charged above these benchmark rates.

2. ***Security***: In terms of our borrowings where security needs to be created, we are typically required to create security by way of charge on existing or future fixed assets. Further, security needs to be created by way of charge on existing or future fixed current assets.

3. ***Repayment***: Our facilities are typically repayable from the date of first reimbursement till maturity, generally in monthly or quarterly instalments as per the repayment schedule stipulated in the relevant loan documentation or as bullet repayments or are repayable on demand.

4. ***Prepayment:*** Certain loans availed by our Company have prepayment provisions which allows for prepayment of the outstanding loan amount and sometimes carry a pre-payment penalty upto 2% on the pre-paid amount or on the outstanding amount subject to terms and conditions stipulated under the loan documents.

5. ***Restrictive Covenants:*** As per the terms of our loan documentation, certain corporate actions for which our Company requires prior written consent and/or intimation of the lenders include:

   (a) Diversify into non-core areas viz business other than the current business;

   (b) Effect any change in the Company's capital structure;

   (c) Implement any scheme of expansion/diversification/modernization other than incurring routine capital expenditure;

   (d) Amending the constitutional documents of our Company, including Memorandum of Association and Articles of Association; and

(e) Effecting any change in shareholding, control, ownership, management, directorship of our Company,

(f) Opening of current accounts with banks outside the Company's present banking arrangement amongst others.

6. ***Events of Default:*** Our borrowing arrangements prescribe the following events of default, including among others:

   (a) Failure and inability to pay amounts on the due date;

   (b) the shareholding of the promoter(s) gets diluted below level at which loan was sanctioned;

   (c) Company losing any major client which constitutes more than 20% exports;

   (d) Cross default under other financing arrangements entered with the lenders; and

   (e) Bankruptcy, insolvency or any such event.

7. ***Consequences of occurrence of events of default:*** Our borrowing arrangements prescribe the following consequences of occurrence of events of default, including among others:

   (a) Withdrawal or termination of the sanctioned facilities;

   (b) Seek immediate repayments of all or part of the outstanding amounts under the respective facilities;

   (c) Appoint a nominee director to the board of our Company;

   (d) Vary/reset the interest rate of upwards; and

   (e) Enforce the security over the hypothecated/ mortgaged assets.

These are indicative lists and there may be additional terms that may require the consent of or require us to intimate the relevant lender, the breach of which may amount to an event of default under various borrowing arrangements entered into by us, and the same may lead to consequences other than those stated above. We have obtained the necessary consents and provided the necessary intimations required under the relevant loan documentation for undertaking activities in relation to the Offer, including, *inter alia*, effecting a change in our shareholding pattern, effecting a change in the composition of our board and amending our constitutional documents. For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors*" beginning on page 24.

SECTION VIII: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings; (ii) actions taken by regulatory or statutory authorities; (iii) litigation involving claims related to direct and indirect taxes; and (iv) other pending litigation as determined to be material as per the Materiality Policy in each case involving our Company, its Subsidiaries, Promoters and Directors ("**Relevant Parties**"). Further, 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 identification of material litigation in (iv) above, our Board has considered and adopted the Materiality Policy, in terms of which disclosures of the following types of litigation involving the Relevant Parties have been included.

All outstanding litigation, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, tax matters (direct or indirect), disciplinary actions including any penalty imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding actions, would be considered 'material' if:

(i) the monetary amount of claim to the extent quantifiable, in any such pending proceeding by or against the entity or person is equivalent to or in excess of: a) two percent of turnover, for the most recent financial year as per the restated consolidated financial statements; or (b) two percent of net worth, as at the end of the most recent financial year as per the restated consolidated financial statements; or (c) five percent of the average of absolute value of profit or loss after tax, for the last three financial years as per the restated consolidated financial statements, whichever is lower. Accordingly, the threshold for materiality for disclosure in this section is five percent of our Company's average of absolute value of profit or loss after tax, for the last three financial years as per the Restated Consolidated Financial Statements, being ₹ 16.50 million; or

(ii) any outstanding litigation/arbitration proceedings, where the monetary impact is not quantifiable or lower than the threshold specified in (i) above, but an outcome of which could materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation or any outstanding litigation/arbitration proceedings where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the exceed the amount as specified in (i) above, even though the amount involved in an individual matter may not exceed the amount as specified in (i) above.

It is clarified that for the above purposes, pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by any regulatory, government, tax or statutory authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as outstanding material litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum. Further, first information reports (whether cognizance has been taken or not) initiated against a Relevant Party shall be disclosed in the Offer Documents.

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has adopted the Materiality Policy. In terms of the Materiality Policy, outstanding dues to any creditor of our Company having a monetary value which exceeds five percent of the total trade payables (on a restated consolidated basis) of our Company as per the Restated Consolidated Financial Information of our Company as of March 31, 2024 disclosed in this Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as of March 31, 2024, any outstanding dues exceeding ₹99.70 million have been considered as material outstanding dues for the purposes of disclosure in this section.

For outstanding dues to any micro, small or medium enterprise, the disclosure is based on information available with our Company regarding the status of the creditor(s) as defined under the Micro, Small and Medium Enterprises Development Act, 2006 as amended, read with the rules and notification thereunder.

Litigation involving our Company

Litigation against our Company

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

Actions taken by Regulatory or Statutory Authorities

1. Our Company has filed a writ petition dated November 5, 2020 ("**Writ Petition**") before the High Court of Telangana against the Regional Provident Fund Commissioner ("**RPFC**"), Employees' Provident Fund Organization, Hyderabad and others, for setting aside the order dated March 13, 2020 read with the corrigendum dated March 14, 2020

("**Impugned Order**"), passed by the RPFC. The RPFC, *vide* the Impugned Order directed our Company to pay damages of ₹ 21.89 million under Section 14-B of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") read with Para 32-A of the Employees' Provident Fund Scheme, 1952, Para 5 of the Employees' Pension Scheme, 1995 and Para 8-A of the Employees' Deposit Linked Insurance Scheme, 1976 for non-payment of provident fund contributions for the period from November 2008 to December 2017. Aggrieved by the Impugned Order, our Company has filed the Writ Petition contending, *inter alia*, that (i) the Impugned Order is arbitrary, unsustainable and is mala fide in nature; (ii) the Impugned Order failed to appreciate there was no intention to evade payments of PF contributions and our Company had voluntarily and *suo moto* reclassified the concerned employees as international workers for the purpose of the computation of the contributions to be made under the EPF Act and recomputed the PF contributions payable to them for the period from November 2008 till June 2017, thus not causing any loss to such employees; and (iii) that to assess damages under Section 14-B of the EPF Act, it is a pre-condition that *mens rea* must exist. Further, our Company has also filed an appeal dated November 16, 2020 against the Impugned Order before Central Government Industrial Tribunal, Hyderabad contending, *inter alia*, that the Impugned Order is arbitrary, illegal and the RPFC has failed to appreciate the fact that our Company had voluntarily and *suo moto* paid the due PF contributions, without causing any loss the concerned employees. Both the matters are currently pending.

Litigation by our Company

Material Civil or other Litigation.

Nil

Criminal Litigation

Nil

I. Litigation involving our Promoters

Litigation against our Promoters

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

Actions taken by Regulatory or Statutory Authorities

Nil

Disciplinary action by SEBI or Stock Exchanges in the last five Financial Years

Nil

Litigation by our Promoters

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

II. Litigation involving our Subsidiaries

Litigation against our Subsidiaries

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by our Subsidiaries

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

III. Litigation involving our Directors

Litigation against our Directors

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

Actions taken by Regulatory or Statutory Authorities

Nil

Litigation by our Directors

Material Civil or other Litigation

Nil

Criminal Litigation

Nil

Tax Claims

Except as disclosed below, there are no outstanding litigations involving claims related to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)[#]
Litigation involving our Company		
Direct Tax	2	18.27
Indirect Tax	40	3,009.83
Litigation involving our Subsidiaries		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Litigation involving our Promoters		
Direct Tax	3[@]	0.49
Indirect Tax	Nil	Nil
Litigation involving our Directors		
Direct Tax	1	0.14
Indirect Tax	Nil	Nil

[#] *To the extent quantifiable.*

[@] *Includes a matter involving Krishnam Raju Kanumuri, one of our Promoters, who is also our Managing Director and Chief Executive Officer, and as appearing under "Litigation involving our Directors – Direct Tax", in the table above.*

Material Tax Matters

Litigation involving our Company

Direct tax litigations

1. The Income Tax Department, Ministry of Finance, Government of India ("**IT Department**") issued a show cause notice ("**Notice**") dated March 9, 2024, directing our Company to show cause as to why an order imposing penalty for assessment year 2017-18 under Section 270A of the IT Act should not be passed pursuant to the assessment order

dated September 28, 2021 ("**Order**") passed by IT Department under Section 143(3) and 144B of the IT Act which (i) disallowed deductions of ₹ 34.34 million claimed by our Company as revenue expenditure and (ii) disallowed weighted deduction of an amount of ₹13.39 million which was allowed as normal business expenses, thereby disallowing deductions totalling to ₹ 47.73 million. Being aggrieved by the Order, our Company filed an appeal dated October 26, 2021 before the Commission of Income Tax (Appeal) ("**CIT**") against the Order, and the CIT vide its order dated January 4, 2023 partly allowed the appeal by upholding the Order for disallowing the principal portion of lease rental amounting to ₹ 27.42 million, however it allowed the appeal against the interest portion of ₹ 6.92 million. Being aggrieved by the order passed by CIT, our Company filed an appeal dated March 2, 2023 ("**Appeal**") to the Income Tax Appellate Tribunal, Hyderabad ("**ITAT**"). The ITAT vide its order dated November 24, 2023 remanded the case back to the assessing officer of the IT Department with a direction to examine the lease agreements afresh and decide the issue as per fact and law, after affording a reasonable opportunity to our Company, and allowed the Appeal for statistical purposes. Our Company filed an application dated January 11, 2024 to the Deputy Commissioner of Income Tax, Hyderabad for issuing a consequential order giving effect to the order of ITAT order, which is currently pending. Thereafter the IT Department has issued the Notice. Our Company vide its response dated March 16, 2024 to the Notice has contended, *inter alia*, that (i) the Company had offered a bona fide explanation, and (ii) penalty cannot be levied on a debatable issue. The matter is currently pending.

2. The Income Tax Department, Ministry of Finance, Government of India ("**IT Department**") issued an assessment order March 23, 2024 (the "**Order**") under Section 143(3) read with Section 144B of the IT Act alleging that our Company has underreported its income by classifying capital expenditure of ₹ 68.23 million as revenue expenditure leading to a variation of ₹ 58 million in its total income of ₹ 383.49 million, declared in its return of income for assessment year 2022-23. Accordingly, the IT Department assessed the total income of our Company for assessment year 2022-23 as ₹ 441.49 million. The IT Department also issued a notice of demand dated March 23, 2024 under Section 156 of the IT Act demanding ₹ 18.27 million as the tax payable by our Company for the assessment year 2022-23 and imposition of interest and penalty in case of non-payment of the same. The IT Department also issued notice for penalty dated March 23, 2024 ("**Notice**") under Section 274 and 270A of the IT Act, directing our Company to show cause as to why an order imposing penalty should not be passed against our Company. Our Company has filed an appeal against the Order before Commissioner of Income- tax (Appeal) on April 17, 2024 on the grounds, *inter alia,* that the adjudicating officer has (i) erroneously assumed few invoices pertaining to fixed asset additions made in the buildings block of asset as invoices pertaining to repairs and maintenance incurred on building and made an addition which is incorrect, (ii) has erred in disallowing the routine repairs and maintenance expenditure incurred on buildings by treating it as capital in nature, and (iii) has further erred in making certain additions twice by considering the purchase order / backup files attached to the invoice. Our Company has also replied to the Notice on April 17, 2024, contending that it has filed an appeal against the Order and therefore till the disposal of the appeal, the penalty proceedings against our Company should be kept in abeyance. The matter is currently pending.

Indirect tax litigations

1. The Office of the Commissioner of Customs, Central Excise and Service Tax, Hyderabad – III has issued a show cause notice dated October 14, 2010 against our Company under the Section 73 of the Finance Act, 1994 ("**Act**"). The show cause notice alleged non-payment of service tax and applicable cess amounting to ₹ 99.66 million for the period from April 2005 to March 2010 for certain services provided by our Company, which should have been classified as technical testing and analysis services as defined under the Act and accordingly our Company was liable to pay service tax, and our Company was directed to show cause as to why the amount of ₹ 99.66 million and interest on the alleged tax payable should not be paid by our Company and additionally why penalties under Sections 76 and 78 of the Act should not be imposed on our Company. Our Company *vide* its response dated November 18, 2010 and additional reply dated October 24, 2018 contended *inter alia,* that (i) the services provided by our Company are not technical testing services, but scientific or technical consultancy services and (ii) since the customers are always outside India and the payment for services is received in convertible foreign exchange, the services should be treated as export of services, therefore the payment service tax demanded needs to be dropped. The matter is currently pending.

2. The Office of the Commissioner of Customs, Central Excise and Service Tax, Hyderabad – III has issued a show cause notice dated October 21, 2011 against our Company under the Section 73 of the Finance Act, 1994 ("**Act**"). The notice alleged, *inter alia*, mis-classification of services provided and non-payment of service tax and applicable cess for the period from April, 2010 to March 2011 amounting to ₹ 25.12 million for certain services provided by our Company, which should have been classified as technical testing and analysis services as defined under the Act and accordingly our Company was liable to pay service tax, and directed our Company to show cause as to why the amount of ₹ 25.12 million should not be paid by our Company and additionally why interest at appropriate rate on the tax payable under Section 75 of the Act and penalties under Sections 76 of the Act should not be imposed on our Company. Our Company *vide* its response dated November 22, 2011 contended *inter alia*, that the services provided by our Company were rightly classifiable under the taxable category of 'scientific or technical consultancy service' and accordingly, there was no liability for payment of service tax or imposition of penalty and prayed for the show cause notice to be set aside. The matter is currently pending.

3. The Deputy Commissioner of Commercial Taxes (Enforcement), Department of Commercial Taxes, Government of Karnataka ("**Department**"), has issued order dated December 19, 2023 ("**Order**") against our Company under Rule 142(5) of the Central Goods and Services Tax Rules, 2017, demanding an amount of ₹ 34.88 million as tax, interest

and penalty payable for financial year 2017-18 on account of receiving marketing support services by our Company from its subsidiary, Sai Life Inc., USA, which were allegedly liable to be taxed, *inter alia*, as the same classify as import of services and attract GST under reverse charge mechanism. Our Company filed an appeal dated March 14, 2024 on March 18, 2024 before the Joint Commissioner of Commercial Taxes (Appeals) on the grounds, *inter alia*, that the Order is an unreasoned order, it violates principles of natural justice, that the classification of service as intermediary is not disputed by the Department and determination of place of supply is inconsistent with Integrated Goods and Services Tax Act, 2017. The matter is currently pending.

4. The Deputy Commissioner of Commercial Taxes, Department of Commercial Taxes, Government of Karnataka ("**Department**"), has issued order dated January 6, 2024 ("**Order**") against our Company under Sections 73(9) and 73(10) of the Karnataka Goods and Services Tax Act, 2017 read with Rule 142(5) of the Central Goods and Services Tax Rules, 2017, Section 6 of the Central Goods and Services Tax Act, 2017, Sections 4 and 20 of the Integrated Goods and Services Tax Act, 2017 and relevant provisions of the Goods and Services Tax (Compensation) Act, 2017, demanding an amount of ₹ 38.21 million as tax, interest and penalty payable for financial year 2018-19 on account of receiving marketing support services by our Company from its subsidiary, Sai Life Inc., USA, which were allegedly liable to be taxed, *inter alia*, as the same classify as import of services and attract GST under reverse charge mechanism. Our Company filed an appeal on April 8, 2024 before the Joint Commissioner of Commercial Taxes (Appeals) on the grounds, *inter alia*, that the Order is unreasoned order, it violates principles of natural justice, that the classification of service as intermediary is not disputed by the Department and determination of place of supply is inconsistent with Integrated Goods and Services Tax Act, 2017. The matter is currently pending.

5. The Assistant Commissioner of Commercial Taxes, Goods & Service Taxes – 540, Department of Commercial Taxes, Government of Karnataka ("**Department**"), has issued a show cause notice ("**Notice**") dated September 11, 2023 to our Company under Rule 99(1) of the Central Goods and Services Tax Act, alleging, that for financial year 2018-19 discrepancies amounting to ₹ 27.73 million were noticed in the returns filed by our Company and an interest amounting to ₹ 21.63 million and a penalty of ₹ 0.05 million would be applicable on the same and accordingly, ₹ 49.41 million was the payable amount by our Company. The notice directed our Company to explain the reasons for the aforesaid discrepancies within seven days, failing which proceedings may be initiated against our Company. Our Company vide its response dated September 19, 2023 contended, *inter alia*, that our Company has duly discharged the GST liability after making due adjustments and highlighted certain discrepancies between certain amounts mentioned in the Notice and the return filed by our Company. Further, our Company has requested for clarifications and backups in this regard. The matter is currently pending.

6. The Joint Commissioner (ST), Malkajgiri DC Office, Commercial Tax Department, Government of Telangana, has issued a show-cause notice dated September 22, 2023 to our Company under Section 73 of Telangana Goods and Services Tax Act, 2017 for the financial year 2019-20. The notice alleged, *inter alia*, that our Company has not declared the correct tax liability while filing the annual returns for the financial year 2019-20 and is accordingly liable to pay ₹ 49.77 million as tax payable, along with interest and penalty. Our Company *vide* its response dated November 28, 2023, contended, *inter alia*, that our Company has not under declared its tax liability and has not claimed excess input tax credit. The matter is currently pending.

7. The Deputy Commissioner (ST), STU – 2, Malkajgiri Division, Hyderabad, Telangana issued a show-cause notice dated May 23, 2024 to our Company under Section 73 of Central Goods and Services Tax Act, 2017. The notice alleged that our Company did not have any documentary evidence in support of the turnover declared, taxes paid, refund claimed/ input tax credit availed by our Company by way of filing of the GST returns for the financial year 2019-20 and demanded an amount of ₹ 527.87 million as tax payable including penalty on the basis of its assessment of the tax liability of our Company for such period on a best judgement basis. Our Company *vide* its response dated May 27, 2024, contended, *inter alia*, that the notice issued was not issued as per the procedure prescribed under GST laws and our Company has submitted relevant documentary evidence. The matter is currently pending.

8. The Commercial Tax Officer, Office of the Joint Commissioner of Commercial Taxes (Enforcement), Department of Commercial Taxes, Government of Karnataka, issued a notice dated April 18, 2024 to our Company under Rule 142 (1A) of the Central Goods and Services Tax Rules, 2017 for intimation of liability under Section 73(5) of the Central Goods and Services Tax Act, 2017. The notice alleged that marketing services received by our Company from our subsidiary, Sai Life Inc., USA ("**Sai Life USA**"), for the financial year 2019-20 are taxable under Integrated Goods and Services Tax Act 2017 and determined an amount of ₹ 38.67 million as total tax liability, including ₹ 24.96 million as tax payable and ₹ 13.71 million as interest and our Company was directed to show cause as to why the amount of tax along with interest on the alleged tax payable should not be paid by our Company and additionally why penalties should not be levied on our Company. Our Company vide its response dated April 19, 2024 contended, *inter alia*, that (i) Sai Life USA was acting as an intermediary in providing marketing support service to our Company in the nature of intermediary services and thus, there was no conflict between our Company and the authorities on the classification of services; (ii) the services provided by Sai Life USA do not qualify as import of service and thus the said transaction is not liable to GST; and (iii) penalty is non-applicable on our Company in absence of any mala fide intention on part of our Company and there being no legal grounds for levy of penalty. Thereafter, the Commercial Tax Officer (Audit) -1, Kalaburagi, Commercial Tax Department, Government of Karnataka has, vide its endorsement/summary statement dated May 18, 2024 rejected the claims of our Company, transferred the matter to itself and determined a revised amount payable of ₹ 43.30 million as total tax liability, including ₹ 24.96 million as tax payable and ₹ 18.34 million

as revised interest. Our Company replied to the endorsement/summary statement vide its response dated June 14, 2024, *inter alia*, citing grounds as mentioned in the reply of our Company dated April 19, 2024. The matter is currently pending.

9. The Joint Commissioner, Saroor Nagar, Telangana issued a show-cause notice dated September 22, 2023 to our Company under Section 73 of Central Goods and Services Tax Act, 2017 for declaration of incorrect tax liability while filing annual returns for financial year 2020-21 and demanded ₹ 70.58 million as tax payable on assessment of the tax liability of our Company for such period along with applicable interest and penalty. Our Company vide its response dated June 14, 2024, which was filed on June 17, 2024, contended, *inter alia*, that our Company has not claimed excess input tax credit and requested for granting additional time for filing its reply. The matter is currently pending.

10. The Commercial Tax Officer, Office of the Joint Commissioner of Commercial Taxes (Enforcement), Department of Commercial Taxes, Government of Karnataka, issued a notice dated April 18, 2024 to our Company under Rule 142 (1A) of the Central Goods and Services Tax Rules, 2017 for intimation of liability under Section 73(5) of the Central Goods and Services Tax Act, 2017. The notice alleged that marketing services received by our Company from our subsidiary, Sai Life Inc., USA ("**Sai Life USA**"), for the financial year 2020-21 are taxable under Integrated Goods and Services Tax Act 2017 and determined an amount of ₹ 107.06 million as total tax liability, including ₹ 77.16 million as tax payable and ₹ 29.91 million as interest and our Company was directed to show cause as to why the amount tax along with interest on the alleged tax payable should not be paid by our Company and additionally why penalties should not be imposed on our Company. Our Company vide its response dated April 19, 2024 contended, *inter alia*, that (i) Sai Life USA was acting as an intermediary in providing marketing support service to our Company in the nature of intermediary services and thus, there was no conflict between our Company and the authorities on the classification of services; (ii) the services provided by Sai Life USA do not qualify as import of service and thus the said transaction is not liable to GST; and (iii) penalty is non-applicable on our Company in absence of any mala fide intention on part of our Company and there being no legal grounds for levy of penalty. The matter is currently pending.

11. The Joint Commissioner, Commercial Tax Department, Saroor Nagar, Telangana issued a show-cause notice dated September 22, 2023 against our Company under Section 73 of Central Goods and Services Tax Act, 2017 alleging declaration of incorrect tax liability by claiming excess input tax credit and claiming input tax credits on ineligible services and commodities, while filing annual returns for the financial year 2021-22 and demanded ₹ 65.83 million as tax payable on assessment of the tax liability of our Company for such period. Our Company *vide* its response dated June 26, 2024 has requested for additional time to file the reply to the show-cause notice. The matter is currently pending.

12. The Commercial Tax Officer, Office of the Joint Commissioner of Commercial Taxes (Enforcement), Department of Commercial Taxes, Government of Karnataka, issued a notice dated April 18, 2024 to our Company under Rule 142 (1A) of the Central Goods and Services Tax Rules, 2017 for intimation of liability under Section 73(5) of the Central Goods and Services Tax Act, 2017. The notice alleged that marketing services received by our Company from our subsidiary, Sai Life Inc., USA ("**Sai Life USA**"), for the financial year 2021-22 are taxable under Integrated Goods and Services Tax Act 2017 and determined an amount of ₹ 86.70 million as total tax liability, including ₹ 70.27 million as tax payable and ₹ 16.43 million as interest and our Company was directed to show cause as to why the amount tax along with interest on the alleged tax payable should not be paid by our Company and additionally why penalties should not be imposed on our Company. Our Company vide its response dated April 19, 2024 contended, *inter alia*, that (i) Sai Life USA was acting as an intermediary in providing marketing support service to our Company in the nature of intermediary services and thus, there was no conflict between our Company and the authorities on the classification of services; (ii) the services provided by Sai Life USA do not qualify as import of service and thus the said transaction is not liable to GST; and (iii) penalty is non-applicable on our Company in absence of any mala fide intention on part of our Company and there being no legal grounds for levy of penalty. The matter is currently pending.

13. The Office of the Commissioner of Customs & GST, Hyderabad Audit -I Commissionerate ("**Commissione**r") has issued a show cause notice dated May 30, 2024 ("**Notice**") alleging that our Company has for the period 2018-2019 to 2021-2022 has distributed excess credit in the GSTR6 return as compared to the credit amount received in the GSTR 6A return, and accordingly computed tax liability amounting to ₹ 49.34 million as the amount of irregularity and our Company was directed to show cause as to why a penalty amounting of ₹ 49.34 million being the amount of irregularity should not be imposed on our Company under Section 122(1) (ix) read with Section 74 of Central Goods and Services Tax Act, 2017 ("**CGST Act**")/ Telangana Goods and Services Tax Act, 2017 and Section 20 of the Integrated Goods and Services Tax Act, 2017 for contravention of the provisions of Section 20 of the Central Goods and Services Tax Act, 2017 / Telangana Goods and Services Tax Act, 2017 and rules thereunder. Our Company vide its responses each dated June 27, 2024, issued on June 30, 2024 for financial years 2018-2019, 2019-2020, 2020-21 and 2021-22, respectively, contended, *inter alia*, that (i) the input tax credit availed by our Company is in line with the provisions of the CGST Act and rules made thereunder; and (ii) as penalty can be levied only in extraordinary circumstances involving fraud, wilful misstatement, or suppression of facts to evade taxes and as in the present case there is no tax liability in the first place, GST returns were filed within the required timeline and the Notice failed to provide as to how our Company has committed any fraud or wilful neglect pertaining to the allegations in the Notice, the imposition of penalty on our Company is not tenable. The matter is currently pending.

14. The Deputy Commissioner of Commercial Taxes, Department of Commercial Taxes, Government of Karnataka

("**Department**"), has issued an observation report dated February 05, 2024, against our Company under Section 65(6) of the Central Goods and Services Tax Act, 2017 and Karnataka Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 read with Rule 101 (4) of the Central Goods and Services Tax Rules, 2017 and Karnataka Goods and Services Tax, Rules, 2017 for financial year 2019-20 alleging, *inter alia*, that our Company has claimed excess provisional input tax credit, short declaration of taxable values in the tax liability declared, excess input tax credit claimed on inward reverse charge mechanism supplies and made belated tax payment and accordingly, our Company is liable to additional tax liability and interest amounting to ₹ 45.35 million and the same will be incorporated in the audit report by the department if no objection is filed by our Company. Our Company vide its response dated April 18, 2024 contended, *inter alia,* that there is no short payment of tax liability or excess availment of input tax credit for financial year 2019-20 and no delay in filing tax returns. Based on this reply, the department dropped all the observations, except for difference in input tax credit claimed, for which our Company received a notice dated May 18, 2024 on May 22, 2024 demanding ₹ 37.95 million as tax and interest payable for difference of input tax credit claimed and stating that a reply can be filed by May 24, 2024. Our Company vide its response dated May 24, 2024 requested for additional time for replying to the notice. Thereafter our Company has received a show cause notice for non-payment of tax and interest payable under the notice dated May 30, 2024 and demanding ₹ 40.10 million as tax, interest an penalty payable for financial year 2019-20. Our Company vide its response dated June 30, 2024 contended, *inter alia*, that (i) there is no irregular availment of the input tax credit by our Company; and (ii) as there is no wrong availment of input tax credit by our Company, thus the demand of interest and penalty from our Company is not tenable. The matter is currently pending.

15. The Assistant Commissioner of Commercial Taxes, Goods & Service Taxes – 540, Bidar, Department of Commercial Taxes, Government of Karnataka ("**Department**"), has issued a notice ("**Notice**") dated March 22, 2024 to our Company under Rule 99(1) of the Central Goods and Services Tax Act, alleging, that for financial year 2021-22, discrepancies amounting to ₹ 161.39 million as excess input tax claimed were noticed in the returns filed by our Company and an interest amounting to ₹ 55.68 million and a penalty of ₹ 0.05 million were computed on the same and accordingly, ₹ 217.13 million was payable by our Company. The Notice directed our Company to explain the reasons for the aforesaid discrepancies within thirty days, failing which proceedings may be initiated against our Company. Our Company vide its responses dated April 22, 2024 and June 26, 2024 requested for additional time to file the reply to the Notice. The matter is currently pending.

16. The Joint Commissioner (ST), Malkajgiri Division, Commercial Taxes Department, Government of Telangana, ("**Commissioner**") has issued a show-cause notice dated April 23, 2024 to our Company under Section 108 of the Telangana Goods and Services Tax Act, 2017 for the period from financial years 2018-2019 to 2023-2024, which was received by our Company on April 30, 2024. The notice alleged, *inter alia*, that our Company has filed numerous applications for claiming refund under various categories including on the ground of zero-rated supplies amounting to ₹ 1,396.14 million, for which the Deputy Commissioner (ST), STU – 2, Malkajgiri Division, while allowing refund for input tax credit and on account of deemed export, has not examined certain material facts in details including verification of the detailed terms of certain agreements between our Company and foreign buyers and nature of such contracts. It was alleged that the terms of the agreements clearly indicated the nature of the contract as that of agency between our Company and the foreign company. Accordingly, the Commissioner has issued the Notice and proposed to revise the impugned refund sanction proceedings declaring the same as erroneous and requested our Company to furnish an explanation along with supportive documentary evidence and copies of detailed agreements between our Company and the foreign buyers within seven days from the receipt of the Notice, failing which, suitable orders would be passed for recovering the amount erroneously refunded to our Company along with interest and penalty under Section 74 of the GST Act, 2017. Our Company vide its response dated May 7, 2024 requested for an additional period of three months to collate and submit the required documents. Further, our Company vide its response dated June 10, 2024, *inter alia*, preliminary submitted certain supporting documents with respect to 'deemed export' refund applications for the period April, 2020 to February, 2022 and refund applications filed under 'other category' for the period January, 2021 and February, 2021 and provided a clarification as to why refund of tax paid was claimed in respect of supplies to export oriented units under 'deemed export' and 'others' categories. The matter is currently pending.

Compounding application filed by our Company

Our Company has filed three compounding applications ("**Applications**") before the RoC on June 28, 2024, July 2, 2024, and July 10, 2024 under Section 441 of the Companies Act, 2013 for (i) non-filing of form MGT 14 with the RoC, with respect to the special resolution for approval of a scheme of demerger approved by the shareholders on November 16, 2019 within the due date in accordance with the provisions of Section 230 to 232 read with Section 117 of the Companies Act 1956; (ii) non-filing of form 23 with the RoC, with respect to resolutions dated January 15, 2001 and September 4, 2001 passed by the Shareholders relating to further issue of shares in accordance with the provisions of Section 81(1A) of the Companies Act 1956 within the time limit as specified under provisions of Section 192 of the Companies Act 1956; and (iii) filing of incorrect information such as number of shares allotted and name of allottees in the form 2 filed with the RoC, in relation to certain shares allotted by our Company on August 16, 2002, May 30, 2003, October 21, 2004 and June 22, 2006. Our Company has also filed the relevant forms with the RoC along with payment of additional fee as applicable for the rectification of the aforesaid. Under the Applications, our Company has submitted, *inter alia,* that the non-filing was due to oversight or clerical error and there was no mala fide intention and has prayed (i) the matters should not been treated as continuing offence; and (ii) that the matters should be adjudicated under Section 454 of the Companies Act, 2013 by taking a lenient view, in view of justice and equity. The matters are currently pending. Further see *"Risk Factors – There have been instances in the past where we have not made certain regulatory filings with the RoC and there were certain instances of discrepancies in relation to certain statutory filings and corporate records of our Company. We cannot assure you that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard."* and *"Capital Structure"* on pages 29 and 66, respectively.

Outstanding dues to Creditors

As of March 31, 2024 our Company had 1,435 creditors, and the aggregate outstanding dues to these creditors by our Company were ₹ 1,994.05 million. As per the Materiality Policy, a creditor of our Company has been considered to be material if the amounts due to such creditor exceed 5% of the total trade payables of our Company as at the end of the most recent financial period covered in the Restated Consolidated Financial Information (i.e., to whom our Company owes an amount having a monetary value exceeding an amount of ₹ 99.70 million as of March 31, 2024).

Details of outstanding dues owed to material creditors, micro, small and medium enterprises and other creditors as of March 31, 2024 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Dues to micro, small and medium enterprises	205	90.07
Dues to material creditors	-	-
Dues to other creditors	1,230	1,903.98
Total Outstanding Dues	**1,435**	**1,994.05**

As certified by Bashetty & Joshi, Chartered Accountants, pursuant to their certificates dated July 12, 2024 and July 29, 2024.

As on March 31, 2024 our Company did not have any material creditors in accordance with the Materiality Policy.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Position and Results of Operations – Significant developments after March 31, 2024*" on page 302, there have not arisen, since the date of the last financial statement disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*We have set out below the material approvals, consents, licenses, and registrations from various governmental, statutory and/or regulatory authorities required to be obtained by our Company for the purpose of undertaking our business activities and operations ("**Material Approvals**"). In view of the approvals, our Company can undertake the Offer and business activities, as applicable.*

Unless otherwise stated, these approvals or licenses are valid as of the date of this Draft Red Herring Prospectus. Certain Material Approvals of our Company may have lapsed or expired or may lapse in their normal course and our Company have either already made applications to the appropriate authorities for renewal of such Material Approvals. We have also disclosed below the material approvals (a) applied for but not received; (b) expired and renewal yet to be applied for; and (c) required but not obtained or applied for. For details of risk associated with not obtaining or delay in obtaining 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 to operate our business, results of operations and cash flows may be adversely affected" on page 26. For further details in connection with the applicable regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 177.

I. Incorporation details

For details in relation to the incorporation of our Company, see "*History and Certain Corporate Matters*" beginning on page 183.

II. Approvals in relation to the Offer

For details regarding the approvals and authorizations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures - Authority for the Offer*" on page 319.

III. Approvals in relation to our Company

A. Material Approvals in relation to the business and operations

1. Factory license issued by the designated authorities under the Factories Act, 1948 for our manufacturing facilities.

2. Consolidated consent and authorisation issued by various state pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 in relation to our manufacturing facilities.

3. Drug manufacturing license for manufacture for sale or for distribution of drugs issued by State Drug Control Administration under Drugs and Cosmetic Act, 1940 and the rules and orders made thereunder in relation to our manufacturing facilities.

4. Good manufacturing practices certificate establishing that the Company follows good manufacturing practices issued by State Drug Control Administration under Drugs and Cosmetic Act, 1940 and the rules and orders made thereunder in relation to our manufacturing facilities.

5. Registration for manufacture, distribution, sale purchase, possession, storage, and consumption of control substance issued by Zonal Director, Narcotics Control Bureau under Drugs and Psychotropic Substances Act, 1985 and the rules and orders made thereunder in relation to our manufacturing facilities.

6. Petroleum and explosive safety organization approval for storing petroleum issued by Petroleum and Explosive Safety Organization under Petroleum Act, 1934 and the rules and orders made thereunder in relation to our manufacturing facilities.

7. No objection certificate issued by the relevant state fire departments for our manufacturing facilities.

8. Authorisation under the Legal Metrology Act, 2009 and Legal Metrology (Packaged Commodities) Rules, 2011 for our Unit II Hyderabad Facility.

9. Authorisation under the Indian Boilers Act, 1934 and the rules framed thereunder for our Unit III Bollaram Facility and Unit IV Bidar Facility.

10. Registration for research for commercial purposes on small animals issued by Department of Animal Husbandry and Dairying (Committee for the purpose of Control and Supervision of Experiments on animals) under Prevention of Cruelty to Animals Act 1960 and the rules and orders made thereunder for our Unit II Hyderabad Facility.

11. Authorization for generation, segregation, collection, and storage of bio-medical waste issued by respective State Pollution Control Board under the Bio Medical Waste (Management and Handling) Rules, 2016 for our manufacturing facilities.

12. License under the Food Safety and Standards Act, 2006, as amended, for providing food services as caterer (limited to Karnataka state) issued by Food Safety and Standard Authority of India for our Unit IV Bidar Facility.

13. Environmental clearance issued by State Level Impact Assessment Authority, Karnataka for expansion of bulk drugs, intermediaries, and R&D product for our Unit IV Bidar Facility.

14. Letter of permission issued under Export Oriented Scheme by Development Commissioner of Vishakhapatnam Special Economic Zone for Unit II Hyderabad Facility and Unit III Bollaram Facility and by Cochin Special Economic Zone for Unit IV Bidar Facility respectively.

15. No-objection certificate for extraction of ground water issued by the Karnataka Groundwater Authority, Government of Karnataka for our Unit IV Bidar Facility.

B. Labour and Employment-related approvals

1. Registrations under various employee and labour-related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, Contract Labour (Regulation and Abolition) Act, 1970 with the Department of Labour under applicable state legislations and the Employees State Insurance Act, 1948.

2. Certificate of registration under applicable shops and establishments legislations issued by the ministry or department of labour of the relevant state government for our Corporate Office.

3. Trade license for the Corporate office issued under the Greater Hyderabad Municipal Corporation Act, 1955.

C. Tax-related approvals

1. Permanent account number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.

2. Tax deduction account number issued by the Income Tax Department, Government of India under the Income Tax Act, 1961.

3. Certificate of registration issued by the Central Government for enrolment as existing taxpayer for GST under the Goods and Services Tax Act, 2017.

4. Certificate of registration issued by the Commercial Taxes Department of Government of Andhra Pradesh under the Andhra Pradesh Tax on Profession, Trade, Calling and Employment Act, 1987, to enable payment of profession tax by our Company.

D. Certain other Material Approvals of our Company

Certificate of Importer-Exporter Code issued by the Office of Additional Director General of Foreign Trade under the Foreign Trade (Development and Regulation) Act, 1992

IV. Material approvals or renewals applied for but not received

Nil

V. Material approvals expired and renewal yet to be applied for

Nil

VI. Material approvals required but not obtained or applied for

Nil

VII. Intellectual property rights

As on the date of this Draft Red Herring Prospectus, our Company has the following registered trademarks:

Sr. No.	Particulars	Registration status	Trademark number	Class	Validity
1.		Registered	4075407	5	February 2, 2029
2.		Registered	4075401	42	February 2, 2029
3.	SAILIFE	Registered	4075410	42	February 2, 2029

We do not have pending trademark registration application.

SECTION IX: OUR GROUP COMPANIES

Pursuant to a resolution dated July 10, 2024 our Board has noted that in accordance with the SEBI ICDR Regulations and for the purpose of disclosure in this Draft Red Herring Prospectus, group companies shall include (i) the companies (other than our Corporate Promoter and Subsidiaries) with which there were related party transactions during the period for which the Restated Consolidated Financial Information is disclosed in this Draft Red Herring Prospectus, as covered under Ind AS 24, and (ii) such other companies as considered 'material' by our Board in accordance with the Materiality Policy.

Pursuant to the Materiality Policy, for the purposes of (ii) above, all such companies (other than our Corporate Promoter and Subsidiaries, as applicable, and companies categorised under (i) above) that are a part of the Promoter Group, and with which our Company has had one or more transactions in the most recent financial year or the stub period, as applicable, as disclosed in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, which individually or in the aggregate, exceed 5% of the total restated consolidated revenue from operations of our Company for such financial year or stub period, as the case may be, shall be classified as group companies.

Accordingly, based on the parameters outlined above, as on the date of this Draft Red Herring Prospectus, our Company does not have any group company.

SECTION X: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been approved by a resolution passed by our Board of Directors at their meeting held on July 4, 2024, and the Fresh Issue has been approved by a special resolution passed by our Shareholders at their meeting held on July 4, 2024.

Further, our Board and our IPO Committee have taken on record the Offer for Sale by each of the Selling Shareholders pursuant to their resolutions dated July 10, 2024 and July 12, 2024, respectively.

This Draft Red Herring Prospectus has been approved pursuant to a resolution passed by our Board on July 29, 2024.

The Equity Shares being offered by each of the Selling Shareholders are eligible for being offered for sale pursuant to the Offer in terms of the SEBI ICDR Regulations. The Offer for Sale has been authorised by each of the Selling Shareholder as follows:

S. No.	Selling Shareholders	Number of Offered Shares	Aggregate proceeds from the Offered Shares*	Date of consent letter	Date of corporate action / board resolution / authorisation letter
Promoter Selling Shareholder					
1.	Sai Quest Syn Private Limited	Up to 6,454,780 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 11, 2024	July 11, 2024
Investor Selling Shareholders					
2.	TPG Asia VII SF Pte Ltd	Up to 45,721,080 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 11, 2024	July 4, 2024
3.	HBM Private Equity India	Up to 6,862,260 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 12, 2024	July 5, 2024
Other Selling Shareholders					
4.	Bharathi Srivari	Up to 650,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 9, 2024	N.A
5.	Anita Rudraraju Nandyala	Up to 500,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 10, 2024	N.A
6.	Raju Penmasta	Up to 500,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 9, 2024	N.A
7.	Dr. Dirk Walter Sartor	Up to 250,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 9, 2024	N.A
8.	Jagdish Viswanath Dore	Up to 250,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 7, 2024	N.A
9.	Rajagopal Srirama Tatta	Up to 250,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 7, 2024	N.A
10.	K Pandu Ranga Raju	Up to 80,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 7, 2024	N.A
11.	Alluri Srinivasa Raju	Up to 25,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 10, 2024	N.A
12.	Bhupathi Raju Atchuta Ramakrishna Raju	Up to 15,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 9, 2024	N.A
13.	Srinivasa Rao Karra	Up to 10,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 9, 2024	N.A
14.	Venkata Narasimha Sastry Renduchintala	Up to 5,000 Equity Shares of face value of ₹1 each	Up to ₹[●] million	July 7, 2024	N.A

* *To be updated at the Prospectus stage.*

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, Promoters, Promoter Group, Directors, persons in control of our Promoters and each of the Selling Shareholders 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.

Directors associated with the securities market

None of our Directors are associated with the securities market, in any manner as on the date of this Draft Red Herring Prospectus and there have been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of the Promoter Group and each of the Selling Shareholders severally and not jointly, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible to undertake the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

1. Our Company has 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), of which not more than 50% are held in monetary assets;

2. 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;

3. 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

4. Our Company has not changed its name in the last one year.

(in ₹ million, unless otherwise stated)

Particulars	**As at and for the financial year ended**		
	March 31, 2024	**March 31, 2023**	**March 31, 2022**
Net tangible assets as at*, as restated and consolidated **(A)**	10,122.88	9,164.05	9,204.39
Monetary assets^ as restated and consolidated **(B)**	1,471.12	519.53	1,301.27
Operating profit for the year@, as restated and consolidated **(C)**	1,660.53	654.99	311.18
Net worth as at#, as restated and consolidated **(D)**	9,751.44	8,880.93	8,785.65
Monetary assets as restated and consolidated as a % of net tangible assets, as restated and consolidated **(E) =(B)/(A)** (in %)$	14.53	5.67	14.14

**The restated net tangible assets mentioned above excludes, right of use assets (related total lease liabilities), intangible assets, deferred tax assets and deferred tax liabilities.*
^Restated and consolidated monetary assets= cash and cash equivalents on restated and consolidated basis.
@Restated and consolidated operating profit has been calculated as restated and consolidated net profit before tax excluding other income and finance cost each on a restated and consolidated basis.
#Restated and consolidated net worth has been defined as 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.
$Monetary assets as restated as a percentage of the net tangible assets means monetary assets as restated divided by net tangible assets as restated, expressed as a percentage.

The average of pre-tax operating profit (excluding other income and finance costs) for Fiscal 2024, Fiscal 2023 and Fiscal 2022 of our Company was ₹ 875.57 million. Our Company shall not make an Allotment if the number of prospective Allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations and other applicable law. 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 Regulations 5 and 7(1), to the extent applicable, of the SEBI ICDR Regulations and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, our Promoters, members of the Promoter Group, each of the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) None of our Company, our Promoters or Directors have been identified as a Wilful Defaulter or Fraudulent Borrower;

(iv) None of our Promoters or Directors have been declared as a Fugitive Economic Offender;

(v) Except employee stock options granted pursuant to the ESOP Schemes and CCPS which shall be converted into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company along with Registrar to the Offer has entered into tripartite agreements dated October 12, 2010 and October 22, 2018 with NSDL and CDSL, respectively, for dematerialisation of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters are in dematerialised form;

(viii) All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

(ix) There are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

Each of the Selling Shareholders, severally and not jointly, confirms that its respective portion of the Offered Shares is in compliance with Regulation 8 of the SEBI ICDR Regulations, and it has held its respective portion of the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SECURITIES AND EXCHANGE BOARD OF INDIA ("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, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, IIFL SECURITIES LIMITED, JEFFERIES INDIA PRIVATE LIMITED AND MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED ("BRLMS"), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. 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 THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS, SEVERALLY AND NOT JOINTLY,WILL BE RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO ITSELF AND ITS RESPECTIVE PORTION OF THE OFFERED SHARES, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 29, 2024 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE 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 BRLMS, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, the Directors, the Selling Shareholders and BRLMs

Our Company, each of the Selling Shareholders, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website, www.sailife.com, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at their own risk. It is clarified that each of the Selling Shareholders, its respective directors, affiliates, partners, trustees, associates, and officers accept no responsibility for any statements made or undertakings provided in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder and its respective proportion of the Offered Shares. Further, the Selling Shareholders do not assume responsibility for any other statement, including without limitation, any and all statements made by or relating to our Company or its business or any other Selling Shareholder(s) or any other person(s), in this Draft Red Herring Prospectus.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement, and as will be provided for in the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, each of the Selling Shareholders, severally and not jointly (to the extent the information pertains to such Selling Shareholder and its respective portion of Offered Shares), and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters and their respective directors, partners, officers, agents, affiliates, trustees and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, 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, each of the Selling Shareholders, the Underwriters and each of their respective directors, partners, officers, agents, affiliates, trustees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for our Company, our Subsidiaries, our Promoters and their respective directors and officers, group companies, if any, and each of the Selling Shareholders and their respective affiliates and 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 our Company, its Directors, our Promoters, officers, agents, group companies, if any, the Selling Shareholders, and their respective affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

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, 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, domestic Mutual Funds, 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 constitution to hold and invest in equity shares, state industrial development corporations, public financial institutions under Section 2(72) of the Companies Act, insurance companies registered with IRDAI, provident funds with minimum corpus of ₹250 million (subject to applicable law) and pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, 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 registered multilateral and bilateral development financial institutions) and permitted Non-Residents including FPIs and Eligible NRIs and 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 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 him or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad, India only. This Draft Red Herring Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. 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 has been filed with SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the 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 any of the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as at any time subsequent to this date. 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.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

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.

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 with any state securities regulatory authority of any state or other jurisdiction in the United States (as defined in Regulation S) 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", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transaction exempt from the registration

requirements of the U.S. Securities Act, and (ii) 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 occur.

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 the Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act.

Eligible Investors

The Equity Shares are being offered:

(i) in the United States to investors that are U.S. QIBs in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act; and

(ii) 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 occur.

Equity Shares Offered and Sold Within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the 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 and warranted to and agreed with our Company, the Selling Shareholders and the Book Running Lead Managers 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 authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction 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 of our Company;

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 as defined in Rule 144A under the U.S. Securities Act or another exemption from the registration requirements of the U.S. Securities Act or, or (ii) in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act; and (B) in accordance with all applicable laws, including the state securities laws in 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 agrees that neither the purchaser, nor any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), nor any person acting on behalf of the purchaser or any of its affiliates (as defined in Rule 405 of the U.S. Securities Act), 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 or any form of "general solicitation" or "general advertising" (within the meaning of Regulation D under the U.S. Securities Act) in connection with any offer or sale of the Equity Shares;

9. 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, 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 ACCORDINGLY, THE EQUITY SHARES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED (1) WITHIN THE UNITED STATES, SOLELY TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR ANOTHER EXEMPTION FROM, OR TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION", AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT, AND THE APPLICABLE LAWS OF THE JURISDICTIONS WHERE THOSE OFFERS AND SALES OCCUR."

10. 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

11. the purchaser acknowledges that our Company, each of the Selling Shareholders, the Book Running Lead Managers, 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, each of the Selling Shareholders and the Book Running Lead Managers, 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 the Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, each of the Selling Shareholders and the Book Running Lead Managers 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 authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the 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 or other jurisdiction of the United States and accordingly, may not be offered, resold, pledged or transferred 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 the Offer in an offshore transaction meeting the requirements of Rule 903 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 the 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 as defined in Rule 144A or another exemption from the registration requirements of the U.S. Securities Act or, or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S 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. neither the purchaser nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, is acquiring the Equity Shares as a result of 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, 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" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTIONS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

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, each of the Selling Shareholders, the Book Running Lead Managers, 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, each of the Selling Shareholders and the Book Running Lead Managers, 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.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the 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 offered through the Red Herring Prospectus and the Prospectus are proposed to be listed on BSE and NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the listing and trading permission is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the Bidders 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 three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within three Working Days from the Bid/Offer Closing Date or within such other period as may 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.

Each of the Selling Shareholders, severally and not jointly, confirms that they shall provide such reasonable support and extend reasonable cooperation limited to the extent of each Selling Shareholder's portion of the Offered Shares as may be requested by our Company and the BRLMs, to the extent such support and cooperation is required from such Selling Shareholder in relation to its respective portion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary, Compliance Officer and Legal Head, legal counsel to our Company as to Indian law, bankers to our Company, the BRLMs, Registrar to the Offer, Frost & Sullivan, Statutory Auditors, the Independent Chartered Accountant and the independent chartered engineer, in their respective capacities have been obtained and such consents have not been withdrawn until the date of this Draft Red Herring Prospectus; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/ Refund Bank(s)/ Public Offer Account/ Sponsor Bank(s) and the Monitoring Agency to act in their respective capacities, will be obtained and 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 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 written consent dated July 11, 2024 from Deloitte Haskins & Sells LLP, Chartered Accountants, Statutory Auditors, to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, 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 Auditors, and in respect of their (i) examination report dated July 10, 2024 on our Restated Consolidated Financial Information; and (ii) their report dated July 11, 2024 on the statement of possible special tax benefits available to our Company and its Shareholders included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

Further, our Company has received a written consent dated July 29, 2024 from Vishvakarma Consultancy Services Pvt. Ltd. to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues during the last five years

Our Company has not made any rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Further, our Company has not made any public issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and its listed subsidiaries, group companies, associate entities during the last three years

Other than as disclosed in "*Capital Structure*" beginning on page 66, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Our Company does not have any listed subsidiary. Our Company does not have any group companies and associate companies.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public offer of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of our Company

Our Company has not made any public/rights issue (as defined in the SEBI ICDR Regulations) during the last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of the listed subsidiaries and promoters

None of our Promoters or Subsidiaries are listed on any stock exchanges.

Price information of past issues handled by the BRLMs

I. 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.	Emcure Pharmaceuticals Limited	19,520.27	1,008[1]	July 10,2024	1,325.05	Not applicable	Not applicable	Not applicable
2.	Aadhar Housing Finance Limited	30,000.00	315[2]	May 15,2024	315	+25.56%, [+5.40%]	Not applicable	Not applicable
3.	Indegene Limited	18,417.59	452[3]	May 13,2024	655	+24.28%, [+5.25%]	Not applicable	Not applicable
4.	India Shelter Finance Corporation Limited	12,000.00	493	December 20, 2023	620.00	+17.64%, [+1.48%]	+10.50%, [+4.28%]	+41.91%, [+10.95%]
5.	Honasa Consumer Limited	17,014.40	324[4]	November 7, 2023	330.00	+17.58%, [+7.89%]	+34.77%, [+12.61%]	+29.68%, [+15.81%]
6.	Cello World Limited	19,000	648[5]	November 6, 2023	829.00	+21.92%, [+7.44%]	+32.99%, [+12.58%]	+40.57%, [+15.78%]
7.	Blue Jet Healthcare Limited	8,402.67	346	November 1, 2023	380.00	+4.08%, [+6.02%]	+10.10%, [+14.47%]	+11.16%, [+18.07%]
8.	JSW Infrastructure Limited	28,000.00	119	October 3, 2023	143.00	+41.34%, [-2.93%]	+75.04%, [+10.27%]	+106.30%, [+12.42%]
9.	Signatureglobal (India) Limited	7,300.00	385	September 27, 2023	444.00	+35.79%, [-4.36%]	+112.43%, [+8.28%]	+244.65%, [+12.07%]
10.	SAMHI Hotels Limited	13,701.00	126	September 22, 2023	130.55	+15.16%, [-0.93%]	+ 27.94%, [+ 6.81%]	+62.98%, [+9.09%]

Source: www.nseindia.com; www.bseindia.com

Notes:

1. *In Emcure Pharmaceuticals Limited, the issue price to eligible employees was ₹ 918 after a discount of ₹ 90 per equity share*
2. *In Aadhar Housing Finance Limited, the issue price to eligible employees was ₹ 292 after a discount of ₹ 23 per equity share*
3. *In Indegene Limited, the issue price to eligible employees was ₹ 422 after a discount of ₹ 30 per equity share*
4. *In Honasa Consumer Limited, the issue price to eligible employees was ₹ 294 after a discount of ₹ 30 per equity share*
5. *In Cello World Limited, the issue price to eligible employees was ₹ 587 after a discount of ₹ 61 per equity share*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
8. *Designated Stock Exchange as disclosed by the respective issuer at the time of the issue has been considered for disclosing the price information.*
9. *Restricted to last 10 equity initial public issues.*

2. *Summary statement of 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*

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%
2024-25	3	67,937.86	-	-	-	-	1	1	-	-	-	-	-	-
2023-24	11	179,436.83	-	-	-	2	4	5	-	-	-	7	3	1
2022-23	10	367,209.37	-	1	2	-	3	4	-	2	1	2	3	2

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.*

II. IIFL Securities Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by IIFL Securities Limited*

Sr. No.	Issue Name	Issue Size (in Rs. Mn)	Issue Price (Rs.)	Designated Stock Exchange as disclosed in the red herring prospectus filed	Listing Date	Opening Price on Listing Date	+/- % 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	Cello World Limited	19,000.00	648.00(1)	NSE	November 6, 2023	829.00	+21.92%,[+7.44%]	+32.99%,[+12.58%]	+40.57%,[+15.78%]
2	Protean eGov Technologies Limited	4,892.02	792.00(2)	BSE	November 13, 2023	792.00	+45.21%,[+7.11%]	+73.18%,[+10.26%]	+45.85%,[+11.91%]
3	ASK Automotive Limited	8,339.13	282.00	NSE	November 15, 2023	303.30	+2.73%,[+7.66%]	+6.29%,[+9.86%]	+5.05%,[+12.10%]
4	DOMS Industries Limited	12,000.00	790.00(3)	BSE	December 20, 2023	1400.00	+80.59%,[+0.97%]	+82.13%,[+3.18%]	+143.28%,[+9.20%]
5	Medi Assist Healthcare Services Limited	11,715.77	418.00	BSE	January 23, 2024	465.00	+22.32%,[+3.20%]	+15.66%,[+3.86%]	+33.86%,[+14.54%].
6	R K Swamy Limited	4,235.60	288.00	BSE	March 12, 2024	252.00	-1.30%,[+1.86%]	-6.70%,[+4.11%]	N.A.
7	Bharti Hexacom Limited	42,750.00	570.00	BSE	April 12, 2024	755.20	+58.25%,[-2.13%]	+85.03%,[+7.65%]	N.A.
8	JNK India Limited	6,494.74	415.00	NSE	April 30, 2024	621.00	+54.47%,[+0.44%]	+81.75%,[+9.87%]	N.A.
9	Go Digit General Insurance Limited	26,146.46	272.00	NSE	May 23, 2024	286.00	+22.83%,[+2.32%]	N.A.	N.A.
10	Awfis Space Solutions Limited	5,989.25	383.00(4)	NSE	May 30, 2024	435.00	+34.36%,[+6.77%]	N.A.	N.A.

Source: www.nseindia.com, www.bseindia.com, as applicable

(1) A discount of Rs. 61 per equity share was offered to eligible employees bidding in the employee reservation portion.
(2) A discount of Rs. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.
(3) A discount of Rs. 75 per equity share was offered to eligible employees bidding in the employee reservation portion.
(4) A discount of Rs. 36 per equity share was offered to eligible employees bidding in the employee reservation portion.
Note: Benchmark Index taken as NIFTY 50 or S&P BSE SENSEX, as applicable. Price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered for all of the above calculations. The 30th, 90th and 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 from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the issue price in case of the issuer. NA means Not Applicable. The above past price information is only restricted to past 10 initial public offers.

2. Summary statement of price information of past issues handled by IIFL Securities Limited

Financial Year	Total No. of IPO's	Total Funds Raised (in Rs. 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	12	1,06,650.92	-	-	4	-	4	4	-	-	3	1	4	4
2023-24	15	1,54,777.80	-	-	4	3	4	4	-	-	-	5	4	5
2024-25	4	81,380.45	-	-	-	2	1	1	-	-	-	-	-	-

Source: www.nseindia.com; www.bseindia.com, as applicable.
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

III. 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	Emcure Pharmaceuticals Limited^^	19,520.27	1,008.00	July 10, 2024	1,325.05	NA	NA	NA
2	TBO Tek Limited^^	15,508.09	920.00	May 15, 2024	1,426.00	+69.94% [+5.40%]	NA	NA
3	Entero Healthcare Limited^	16,000.00	1,258.00*	February 16, 2024	1,149.50	-19.65% [-0.08%]	-19.84% [+0.73%]	NA
4	Concord Biotech Limited^^	15,505.21	741.00**	August 18, 2023	900.05	+36.82% [+4.57%]	+83.91% [+1.89%]	+88.78% [+12.60%]
5	Mankind Pharma Limited^^	43,263.55	1,080.00	May 9, 2023	1,300.00	+37.61% [+2.52%]	+74.13% [+6.85%]	+64.36% [+5.28%]
6	KFin Technologies^^	15,000.00	366.00	December 29, 2022	367.00	-13.55% [-3.22%]	-24.56% [-6.81%]	-4.48% [+2.75%]
7	Global Health Limited^^	22.055.70	336.00	November 16, 2022	401.00	+33.23% [-0.03%]	+35.94% [-3.47%]	+61.67% [-0.52%]

Not Applicable – Period not completed
^ BSE as designated stock exchange
^^NSE as designated stock exchange
*i. * - A Discount of ₹ 119 per equity was offered to eligible employees bidding in the employee reservation portion.*
*ii. ** - A Discount of ₹ 70 per equity was offered to eligible employees bidding in the employee reservation portion.*

2. *Summary statement of price information of past issues handled by Jefferies India Private Limited*

Fiscal	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%
2024 – 2025*	2	35,028.36	-	-	-	1	-	-	-	-	-	-	-	-
2023 – 2024	3	74,768.76	-	-	1	-	2	-	-	-	-	2	-	-
2022 – 2023	2	37.055.70	-	-	1	-	1	-	-	-	1	1	-	-

** This data covers issues up to YTD*
The information for each of the financial years is based on issues listed during such financial year.

Notes:
1. *Data is sourced either from www.nseindia.com or www.bseindia.com, as per the designated stock exchange disclosed by the respective issuer company.*
2. *Similarly, benchmark index considered is "NIFTY 50" where NSE is the designated stock exchange and "S&P BSE SENSEX" where BSE is the designated stock exchange, as disclosed by the respective issuer company.*
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 we have considered the closing data of the previous trading day*

IV. Morgan Stanley India Company Private Limited

1. *Price information of past issues (during the current Financial Year and two Financial Years preceding the current Financial Year) handled by Morgan Stanley India Company Private Limited*

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % 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.	Go Digit Insurance Limited	26,146	272	May 23, 2024	286.0	+ 22.8% [+ 4.0%]	-	-
2.	Delhivery Limited	52,350	487	May 24, 2022	495.2	+ 3.5% [- 4.9%]	+17.0% [+ 9.5%]	-28.0% [+ 12.9%]

Source: www.nseindia.com; for price information and prospectus/ basis of allotment for issue details.
***Notes**:*
1. *Issue Size is as per the prospectus filed with SEBI with the figures rounded off to the nearest decimal point*
2. *Prices for issues as per NSE and Benchmark index considered is NIFTY50*
3. *If the 30th/90th/180th day falls on a trading holiday then pricing information on the preceding trading day has been considered*
4. *Pricing Performance for the company is calculated as per the final offer price*
5. *Pricing Performance for the benchmark index is calculated as per the close on the day prior to the listing date*

2. *Summary statement of price information of past issues handled by Morgan Stanley India Company Private Limited*

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in 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%
2024-25	1	26,146	-	-	-	-	-	1	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in 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	1	52,350	-	-	-	-	-	1	-	1	-	-	-	-

Source: www.nseindia.com

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, see the websites of the BRLMs, as provided in the table below.

S. No.	Name of the BRLM	Website
1.	Kotak Mahindra Capital Company Limited	https://investmentbank.kotak.com
2.	IIFL Securities Limited	www.iiflcap.com
3.	Jefferies India Private Limited	www.jefferies.com/regulatory-disclosures/jefferies-india-private-limited/
4.	Morgan Stanley India Company Private Limited	www.morganstanley.com/india

Stock Market Data of the Equity Shares

This being the initial public offer of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the 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 on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

In terms of 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, the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI ICDR Master Circular 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. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as modified by SEBI circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period and such compensation to investors shall be computed from T+3 day.

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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI ICDR Master Circular 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 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 finalization of the Basis of Allotment till the date of actual unblock

In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the SCSBs and the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 or 15% per annum of the application amount for the period of such delay. Further, in terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

Bidders can contact the Company Secretary, Compliance Officer and Legal Head and/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 orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All Offer-related grievances, other than for Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank(s) for addressing any clarifications or grievances of ASBA Bidders. Our Company, each of the Selling Shareholders, 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 the applicable provisions of SEBI ICDR Regulations. Bidders can contact our Company Secretary, Compliance Officer and Legal Head, the BRLMs 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.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

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 herein.

Disposal of investor grievances by our Company

Our Company shall, after filing of this Draft Red Herring Prospectus, obtain authentication on the SCORES in terms of the SEBI circular bearing number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023 in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working 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 as expeditiously as possible.

Our Company has not received any investor grievances in the last three Financial Years prior to the filing of this Draft Red Herring Prospectus. As at the date of this Draft Red Herring Prospectus there are no outstanding investor grievances.

Our Company has also appointed Runa Karan, Company Secretary and Legal Head of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 59.

Our Company has constituted a Stakeholders Relationship Committee comprising Ramesh Ganesh Iyer, as chairman, and Krishnam Raju Kanumuri, Suchita Sharma and Mitesh Daga, as members, to review and redress shareholder and investor grievances. For details, see "*Our Management – Committees of our Board - Stakeholders Relationship Committee*" on page 197.

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

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

Other confirmations

No person connected with the Offer shall 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 Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION XI: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, offered and Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/ Allotment Advice and other terms and conditions as may be incorporated in other documents/ 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, offer for sale and listing and trading of securities, issued from time to time, by SEBI, the GoI, the Stock Exchanges, the RBI, 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 the SEBI, the GoI, the Stock Exchanges, the RBI, the RoC and/or any other authorities while granting its approval for the Offer.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares transferred in the Offer shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see "*Main Provisions of the Articles of Association*" beginning on page 365.

Mode of payment of dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of the Companies Act, the Memorandum and Articles of Association, dividend distribution policy of our Company, and provisions of the SEBI Listing Regulations and any other guidelines or directions which may be issued by the GoI in this regard. Dividends, if any, declared by our Company after the date of Allotment, 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*" beginning on pages 214 and 365, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share of face value of ₹1 each and at the higher end of the Price Band is ₹[●] per Equity Share of face value of ₹1 each. The Anchor Investor Offer Price is ₹[●] per Equity Share of face value of ₹1 each.

The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs, and published and advertised in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper, Telugu being the regional language of Telangana, where our Registered Office is located, each with wide circulation, at least two Working Days prior to the Bid/ Offer Opening Date, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, 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 respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company, 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 for the Equity Shares.

The Offer

The Offer comprises a Fresh Issue of Equity Shares by our Company and Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and each of the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 109.

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 Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity 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 or 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 claims being satisfied;

- Right of free transferability of their Equity Shares, subject to applicable laws including any RBI 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 the Articles of Association of our Company.

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 and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" beginning on page 365.

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 and the SEBI Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated October 12, 2010 amongst our Company, NSDL and Registrar to the Offer; and

- Tripartite agreement effective as of October 22, 2018 amongst our Company, CDSL and 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 to QIBs and RIBs. For NIBs allotment shall not be less than the minimum non-Institutional application size. For further details, see "*Offer Procedure*" beginning on page 344.

Joint Holders

Subject to the provisions of the Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint holders with benefits of survivorship.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, 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, to the exclusion of all other persons, unless the nomination is modified or cancelled in the prescribed manner. 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/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. A nomination may be cancelled or modified by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form. Fresh nomination can be made only on the prescribed form available on request at our Registered 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, 2013 shall upon the production of such evidence as may be required by the 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, the 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 the nomination, they are requested to inform their respective Depository Participant.

Bid/ Offer programme

BID/OFFER OPENS ON	[●][(1)]
BID/OFFER CLOSES ON	[●][(2)(3)]

(1) *Our Company may, in consultation with the BRLMs consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company may, in consultation with the BRLMs, 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 5.00 pm on Bid/ Offer Closing Date.*

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
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 [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

* *In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from Bid/Offer Closing date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹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 placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked; (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/ Offer Closing Date by the SCSB 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. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and the 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, as partially modified by SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.applicable, issued by SEBI, and any other applicable law in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, any of the Selling Shareholders or the members of Syndicate.

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 three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band by our Company in consultation with the BRLMs, or any delay in receiving the final listing and trading approval from the Stock Exchanges. 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. Each Selling Shareholder confirms that it shall extend such reasonable support and co-operation as may be required under Applicable Law or requested by our Company and/or the BRLMs, in relation to it and its respective portion of the Offered Shares.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/ Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the Registrar to the Offer on a daily basis in accordance with the SEBI RTA Master Circular.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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. IST
Bid/Offer Closing Date	
Submission of electronic applications (online ASBA through 3-in-1 accounts) for RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST
Submission of electronic application (bank ASBA through online channels like internet banking, mobile banking and syndicate ASBA applications through UPI as a payment mechanism where Bid Amount is up to ₹ 500,000)	Only between 10.00 a.m. and up to 4.00 p.m. IST
Submission of electronic applications (syndicate non-retail, non-individual applications of QIBs and NIBs)	Only between 10.00 a.m. and up to 3.00 p.m. IST
Submission of physical applications (Bank ASBA)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Submission of physical applications (syndicate non-retail, non-individual applications where Bid Amount is more than ₹ 500,000)	Only between 10.00 a.m. and up to 1.00 p.m. IST
Revision/cancelled of Bids	
Upward Revision of Bids by QIBs and Non-Institutional Bidders categories#	Only between 10.00 a.m. and up to 5.00 p.m. IST and on Bid/ Offer Closing Date up to 4.00 p.m. IST
Upward or downward Revision of Bids or cancellation of Bids by RIBs and Eligible Employees Bidding in the Employee Reservation Portion	Only between 10.00 a.m. and up to 5.00 p.m. IST

* *UPI mandate end time and date shall be at 5.00 pm on Bid/Offer Closing Date.*

\# *QIBs and Non-Institutional Bidders can neither revise their bids downwards nor cancel/withdraw their bids.*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until 4.00 p.m. IST in case of Bids by QIBs and NIBs, and 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 the Stock Exchanges only for uploading Bids received by RIBs and Eligible Employees Bidding in the Employee Reservation Portion after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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 and any revision in Bids will be accepted only during Working Days during the Bid/ Offer Period. Bidders 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, Sundays 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. None among our Company, any Selling Shareholder or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; and (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism. The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period till 5:00 pm on the Bid/ Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

Our Company, in consultation with the BRLMs, reserve 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. In all circumstances, the Cap Price shall be at least 105% of the Floor Price and less than or equal to 120% of the Floor Price. The Floor Price will not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or unforeseen circumstances, our Company, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of one Working Day, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book vis-vis data contained in the 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.

Employee Discount

Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band can make payment based on Bid Amount net of Employee Discount, 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, less Employee Discount, at the time of making a Bid. In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate. In case of 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 may be taken as the final data for the purpose of Allotment.

Minimum Subscription

If (i) our Company does not make the minimum Allotment in the Offer as specified under Rule 19(2)(b) of the SCRR or does not achieve the minimum subscription of 90% of the Fresh Issue on the Bid/ Offer Closing Date; or (ii) subscription level falls below the aforesaid minimum subscription after the Bid/ Offer Closing Date due to withdrawal of Bids, or after technical rejections, or any other reason; or (iii) in case of devolvement of Underwriting, aforesaid minimum subscription is not received within 60 days from the date of Bid/ Offer Closing Date; or (iv) if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares in the Offer, each of the Selling Shareholders, to the extent of its portion of the Offered Shares and our Company shall forthwith refund the entire subscription amount in accordance with applicable law. If there is a delay beyond four days, our Company, and every Director of our Company, who are officers in default, shall pay interest at the rate of 15% per annum in accordance with the SEBI ICDR Regulations and any other applicable law. Each of the Selling Shareholders shall reimburse, in proportion to its respective portion of the Offered Shares, any expenses and interest incurred by our Company on behalf of such Selling Shareholder for any delays in making refunds as required under the Companies Act and any other applicable law, provided that none of the Selling Shareholders shall be responsible or liable for payment of such interest, unless such delay is solely and directly attributable to an act or omission of the respective Selling Shareholder in relation to its respective portion of the Offered Shares. All refunds made, interest borne, and expenses incurred (with regard to payment of refunds) by our Company on behalf of any of such Selling Shareholders will be adjusted or reimbursed by such Selling Shareholder severally and not jointly (only to the extent of its respective portion of the Offered Shares), to our Company as agreed among our Company and each of the Selling Shareholders in writing, in accordance with Applicable Law.

The requirement for minimum subscription is not applicable for the Offer for Sale.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and in compliance with Rule 19(2)(b) of the SCRR, the Allotment shall first be made towards (i) the Offer for Sale of up to 85,000 Equity Shares by the Promoter Selling Shareholder, then (ii) the entire portion of the Offered Shares of the TPG, to the extent applicable, then (iii) the entire portion of the Offered Shares of the HBM, then (iv) the Offer for Sale by the remaining Selling Shareholders, including Promoter Selling Shareholder, in the proportion of their respective Offered Shares. Further, once Equity Shares have been Allotted as per (i), (ii), (iii) and (iv) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue.

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 the 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, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for disposal of odd lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

Withdrawal of the Offer

The Offer shall be withdrawn in the event the requirement of the minimum subscription as prescribed under Regulation 45 of the SEBI ICDR Regulations is not fulfilled. Our Company, in consultation with the Book Running Lead Managers, reserve the right not to proceed with the Fresh Issue and each of the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of its respective portion of the Offered Shares, after the Bid/ Offer Opening Date but before 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 and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly. If our Company, in consultation with the Book Running Lead Managers withdraws the Offer after the Bid/ Offer Closing Date and thereafter determine that our Company will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Offer is also subject to (i) the filing of the Prospectus with the RoC; and (ii) obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

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, minimum Promoter's contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 66, and except as provided in our Articles of Association as detailed in "*Main Provisions of the Articles of Association*" beginning on page 365, there are no restrictions on transfer and transmission of the Equity Shares, and on their consolidation or splitting.

OFFER STRUCTURE

Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating up to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares of face value ₹1 each aggregating up to ₹8,000.00 million by our Company and an Offer for Sale of up to 61,573,120 Equity Shares of face value ₹1 each aggregating up to ₹[●] million by the Selling Shareholders. For details, see "*The Offer*" beginning on page 53.

The Offer comprises of a Net Offer of up to [●] Equity Shares of face value ₹1 each and Employee Reservation Portion of up to [●] Equity Shares of face value ₹1 each aggregating up to ₹[●] million. The Employee Reservation Portion shall not exceed 5% 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**	**Retail Individual Bidders**
Number of Equity Shares available for Allotment/allocation* (2)	Up to [●] Equity Shares of face value of ₹ 1 each ##	Not more than [●] Equity Shares of face value of ₹ 1 each	Not less than [●] Equity Shares of face value of ₹ 1 each available for allocation or Net Offer less allocation to QIB Bidders and RIBs	Not less than [●] Equity Shares of face value of ₹ 1 each available for allocation or Net Offer less allocation to QIB Bidders and NIBs
Percentage of Offer Size available for Allotment/allocation	The Employee Reservation Portion shall constitute up to 5% of the post-Offer paid-up Equity Share capital of our Company	Not more than 50% of the Net Offer shall be available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining Net 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. The allotment to each Non-Institutional Bidder 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 available for allocation out of which (a) one third of such portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000; and (b) two third of such portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹1,000,000, provided that the unsubscribed portion in either the sub-categories mentioned above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35% of the Net Offer
Basis of Allotment/ allocation 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	Proportionate as follows (excluding the Anchor Investor Portion): a) up to [●] Equity Shares of face value ₹1 each shall be available for allocation on a proportionate basis to Mutual Funds only; and b) up to [●] Equity Shares of face value ₹1 each shall	The Equity Shares available for allocation to Non-Institutional Bidders under the Non- Institutional Portion, shall be subject to the following: a) one third of the portion available to Non-Institutional Bidders being [●] Equity Shares of face value ₹1 each are reserved for Bidders	The allotment to each RIB 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*" on page 344.

Particulars	Eligible Employees#	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
	an Eligible Employee not exceeding ₹500,000million	be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of the QIB Portion (of up to [●] Equity Shares of face value ₹1 each may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price	Biddings more than ₹200,000 and up to ₹1,000,000; and b) two third of the portion available to Non-Institutional Bidders being [●] Equity Shares of face value ₹1 each 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 sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The allotment of specified securities to each Non-Institutional Bidder shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For details, see "*Offer Procedure*" on page 344.	
Minimum Bid	Such number of Equity Shares in multiples of [●] Equity Shares	[●] Equity Shares of face value ₹1 each in multiples of [●] Equity Shares of face value ₹1 each such that the Bid Amount exceeds ₹200,000	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹1 each such that the Bid Amount exceeds ₹200,000	[●] Equity Shares of face value ₹1 each and in multiples of [●] Equity Shares of face value ₹1 each thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹1 each, 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 of face value ₹1 each not exceeding the size of the Offer, (excluding the Anchor portion) subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹1 each not exceeding the size of the Offer, (excluding the QIB portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares of face value ₹1 each so that the Bid Amount does not exceed ₹200,000
Mode of Bidding	Through ASBA process only (except Anchor Investors). In case of UPI Bidders, ASBA process will include the UPI Mechanism.			
Bid Lot	[●] Equity Shares of face value ₹1 each and in multiples of [●] Equity Shares of face value ₹1 each thereafter			
Mode of Allotment	Compulsorily in dematerialised form			

Particulars	Eligible Employees#	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
Allotment Lot	A minimum of [●] Equity Shares of face value ₹1 each and in multiples of one Equity Share thereafter for QIBs and RIBs. For NIBs allotment shall not be less than the minimum non-institutional application size.			
Trading Lot	One Equity Share			
Who can apply(4)	Eligible Employees	Public financial institutions as specified in Section 2(72) of the Companies Act, scheduled commercial banks, Mutual Funds, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013, National Investment Fund set up by the GoI through resolution F. No.2/3/2005-DD-II dated November 23, 2005, the 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.	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)
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(3) **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(s) through the UPI Mechanism (other than Anchor Investors) 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. The undersubscribed portion, if any, in the Employee Reservation Portion shall be added back to the Net Offer. 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.*

\## *Our Company in consultation with the BRLMs, may offer a discount of up to [●]% to the Offer Price (equivalent of ₹[●] per Equity Share) to Eligible Employees Bidding in the Employee Reservation Portion, subject to necessary approvals as may be required, and which shall be announced at least two Working Days prior to the Bid / Offer Opening Date.*

(1) *Our Company in consultation with the BRLMs 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, which price shall be determined by our Company in consultation with the BRLMs.

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer is made in accordance with the Rule 19(2)(b) of the SCRR and is being made through the Book Building Process, in compliance with Regulation 6(1) of the SEBI ICDR Regulations.*

(3) *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 price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN. For details of terms of payment of applicable to Anchor Investors, see General Information Document available on the website of the Stock Exchanges and the BRLMs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.*

(4) *In case of joint Bids, 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 is required in the Bid cum Application Form and such First Bidder will be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares. Further, a Bidder Bidding in the Employee Reservation Portion may also Bid under the Net Offer and such Bids shall not be treated as multiple Bids.*

(5) *Subject to valid bids being received at or above the Offer Price, undersubscription, 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 in consultation with the BRLMs, and the Designated Stock Exchange, subject to applicable laws. In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the Allotment shall first be made towards (i) the Offer for Sale of up to 85,000 Equity Shares by the Promoter Selling Shareholder, then (ii) the entire portion of the Offered Shares of the TPG, to the extent applicable, then (iii) the entire portion of the Offered Shares of the HBM, then (iv) the Offer for Sale by the remaining Selling Shareholders, including Promoter Selling Shareholder, in the proportion of their respective Offered Shares. Further, once Equity Shares have been Allotted as per (i), (ii), (iii) and (iv) above, such number of Equity Shares will be Allotted by the Company towards the balance 10% of the Fresh Issue. In the event of under-subscription in the Offer, Equity Shares shall be allocated in the manner specified in "Terms of the Offer" on page 334.*

Bidders will be required to confirm and will be deemed to have represented to our Company, each of the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

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, subject to the total Allotment to an Eligible Employee not exceeding ₹[●] million in value. Subsequent under-subscription, if any, in the Employee Reservation Portion shall be added back to the Net Offer.

Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 351 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

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 any category except the QIB Portion, would be allowed to be met with spill over proportionately from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws 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 334.

In case of any revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public announcement and also by indicating the change on the websites of the BRLMs and at the terminals of the members of the Syndicate.

In case of 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 may be taken as the final data for the purpose of Allotment.

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 and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by 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/Applicants; (v) issuance of CAN and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) submission of Bid cum Application Form; (viii) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; 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, had 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 until June 30, 2019.*

*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 UPI Bidders 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 had extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase III, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI RTA Master Circular, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Further, SEBI vide its 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 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, had introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Subsequently, SEBI vide the SEBI RTA Master Circular, consolidated and rescinded the aforementioned circulars to the extent relevant for RTAs.

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings whose application sizes are up to ₹500,000 shall use the UPI Mechanism million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Draft Red Herring Prospectus.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding three Working Days from the Bid/Offer Closing Date, in accordance with the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding three 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. Further, SEBI vide its master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, has reduced the timelines for refund of Application money to four days.

The BRLMs shall be the nodal entity for any issues arising out of public issuance process.

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 and the Prospectus, when filed.

Further, our Company, each of the Selling Shareholders and the Members of the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Offer.

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, provided that our Company in consultation with the BRLMs, shall allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment 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 the availability of the equity shares, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to NIBs of which one-third of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹200,000 up to ₹1,000,000 and two-thirds of the Non-Institutional Portion will be available for allocation to Bidders with an application size of more than ₹1,000,000 and undersubscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not less than 35% of the 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. Further, up to [●] Equity Shares of face value ₹1 each, aggregating up 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 the valid bids being received, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over proportionately from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. 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. 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. 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 dematerialized segment of the Stock Exchanges.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with the notification by the CBDT dated February 13, 2020 read with press releases dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023.

Investors 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, PAN and UPI ID, as applicable, 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.

As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

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 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 until 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 was 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 had 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 had extended the timeline for implementation of UPI Phase II until 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 continued to be six Working Days during this phase.

Phase III:

This phase was applicable on a voluntary basis for all issues opening on or after September 1, 2023 and has become applicable on a mandatory basis for all issues opening on or after December 1, 2023. In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹200,000 and up to ₹500,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

Pursuant to the UPI Circulars, 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 Circulars 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 on a daily basis to the SCSBs, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one Working Day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline and submit confirmation of the same to the BRLMs and the Registrar to the Offer 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. Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

The Offer will be made under UPI Phase III of the UPI Circulars.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. Our Company shall appointed certain of the SCSBs as the Sponsor Bank(s) to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the UPI Bidders.

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 Bidding Centres, and our Registered Office. Electronic copies of the Bid cum Application Forms 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 BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process, which shall include the UPI Mechanism in case of UPI Bidders. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

UPI Bidders Bidding using 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 must provide either (i) the bank account details and authorisation to block funds in their respective ASBA Accounts, or (ii) the UPI ID, as applicable in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

Since the Offer is made under Phase III of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

(i) UPI Bidders may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) QIBs and NIBs (other than NIBs using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

The ASBA Bidders, including UPI 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.

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, 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 (except UPI Bidders). 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(s), as applicable at the time of submitting the Bid.

Anchor Investors are not permitted to participate in the Offer through the ASBA process. For Anchor Investors, the Anchor Investor Application Form will be available with the BRLMs.

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 resident QIBs, NIBs, RIBs and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	[●]
Anchor Investors	[●]
Eligible Employees Bidding in the Employee Reservation Portion	[●]

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the website of NSE (www.nseindia.com) and BSE (www.bseindia.com)

(2) Bid cum Application Forms for Anchor Investors shall be available at the office of the BRLMs

(3) Bid cum Application Forms for Eligible Employees will be available only at our branches and offices in India.

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on application monies blocked. For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than UPI Bidders) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

For UPI Bidders, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank(s) on a continuous basis to enable the Sponsor Bank(s) to initiate UPI Mandate Request to UPI Bidders for blocking of funds. The Sponsor Bank(s) 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 the UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank(s), NPCI or the issuer bank) 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(s) and the issuer bank. The Sponsor Bank(s) and the Bankers to the Offer shall provide the audit trail to the Book Running Lead Managers for analysing the same and fixing liability.

The Sponsor Bank(s) will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank(s) will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank(s) and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details 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. Further, modification/cancellation of Bids (if any) shall be allowed in parallel during the Bid/Offer Period until the Cut-Off Time.

Pursuant to NSE circular dated August 3, 2022 with reference no. 25/2022, the following is applicable to all initial public offers opening on or after September 1, 2022. Cut-off time for acceptance of UPI mandate shall be up to 5:00 pm on the initial public offer closure date and existing process of UPI bid entry by syndicate members, registrars to the offer and Depository Participants shall continue till further notice. There shall be no T+1 mismatch modification session for PAN-DP mismatch and bank/ location code on T+1 day for already uploaded bids. The dedicated window provided for mismatch modification on T+1 day shall be discontinued. Bid entry and modification/ cancellation (if any) shall be allowed in parallel to the regular bidding period up to 5:00 pm on the initial public offer closure day. The Stock Exchanges shall display Offer demand details on its website and for UPI bids the demand shall include/consider UPI bids only with latest status as RC 100–black request accepted by Investor/ client, based on responses/status received from the Sponsor Bank(s).

The Sponsor Bank(s) shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date until the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The processing fees for applications made by UPI Bidders may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation in accordance 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 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard.

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 in 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) 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", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transaction exempt from the registration requirements 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 occur.

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, subject to applicable laws.

b. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 5:00 pm on 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 the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Member and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Member

The BRLMs and the Syndicate Member shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Member may purchase Equity Shares in the Issue, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Member, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds and Pension Fund sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or their respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Lead Manager" 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 and the BRLMs.

Further, our Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to our Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of our Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to our Promoters or Promoter Group of our Company.

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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

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 the 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 exchange traded fund 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 NRIs

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 (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) 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 (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) 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 NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their respective SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders) to block their NRE accounts, or FCNR accounts, and eligible NRI Bidders Bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSBs (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of UPI Bidders

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. In accordance with FEMA Non-debt Instruments Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity share 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 share 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 or such other limit as may be stipulated by RBI in each case, from time to time. 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. Our Company has, pursuant to a Board resolution dated December 14, 2023 and Shareholders' resolution dated December 14, 2023, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of our Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

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).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 363. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by Hindu Undivided Family or HUFs

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the *Karta*. The Bidder 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: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the "*Karta*". Bids by HUFs will be considered at par with Bids from individuals.

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 subject to valid Bids being received from domestic Mutual Funds at or above Anchor Investor Allocation Price.

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 in consultation with 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) 50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares Allotted to Anchor Investors will be locked in for a period of 30 days from the date of Allotment.

10) Neither the Book Running Lead Managers or any associate of the Book Running Lead Managers (other than Mutual Funds sponsored by entities which are associates of the BRLMs or AIFs sponsored by entities which are associates of the BRLMs or FPIs (other than individuals, corporate bodies and family offices) which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or pension funds sponsored by entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investors Portion. For details, see "*Offer Procedure – Participation by the Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Member and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Member*" on page 349. Further, no person related to the Promoters or 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.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares of face value ₹1 each and in multiples of [●] Equity Shares of face value ₹1 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000 on a net basis. 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*" beginning on page 344.

However, Allotments to Eligible Employees in excess of ₹200,000 shall be considered on a proportionate basis, in the event of under-subscription in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Subsequent under-subscription, 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:

- Made only in the prescribed Bid cum Application Form or Revision Form.
- Only Eligible Employees (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) who a person resident in India (as defined under the FEMA) as on the date of submission of the ASBA Form.
- In case of joint bids, the sole/ first Bidder shall be the Eligible Employee.
- Bids by Eligible Employees may be made at Cut-off Price.
- Only those Bids, which are received at or above the Offer Price, would be considered for allocation under this portion.
- The Bids must be for a minimum of [●] Equity Shares of face value ₹1 each and in multiples of [●] Equity Shares of face value ₹1 each thereafter so as to ensure that the Bid Amount payable by the Eligible Employee subject to a maximum Bid Amount of ₹500,000 on a net basis.
- Eligible Employees bidding in the Employee Reservation Portion can Bid through the UPI mechanism.
- If the aggregate demand in this portion is less than or equal to [●] Equity Shares of face value ₹1 each at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- 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.
- Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form or Revision Form.

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.

Bids by FPIs

In terms of the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital on a fully diluted basis. Further, in terms of the FEMA NDI Rules, the total holding by each FPI (or a group) shall be less than 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company on a fully diluted basis.

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, in consultation with the BRLMs, reserves the right to reject any Bid without assigning any reason, subject to applicable laws.

To ensure compliance with the applicable limits, SEBI, pursuant to its master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022 and the SEBI RTA Master Circular, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs/ FPI investor group who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for Offer procedure, as prescribed by SEBI from time to time.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure, indicating the name of their respective investment managers in such confirmation;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- 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;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

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. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by 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 behalf of it subject to, *inter alia*, the following conditions:

(a) such offshore derivative instruments are transferred to persons subject to fulfilment of 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 are pre-approved by the FPI.

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (in [●] colour).

Further, 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 ("**MIM Structure**") in accordance with the SEBI master circular bearing reference number SEBI/HO/AFD-2/CIR/P/2022/175 dated December 19, 2022, 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 in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmations. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

In terms of the SEBI FPI Regulations, the offer of Equity Shares to a single FPI or an investor group (which means multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our total paid-up Equity Share capital of our Company, on a fully diluted basis. Further, in terms of the FEMA Non-debt Instruments Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the aggregate limit for FPI investments shall be the sectoral caps applicable to our Company, which is 100% of the total paid-up Equity Share capital of our Company 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%).

For details of investment by FPIs, see "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 363. Participation of FPIs shall be subject to the FEMA Non-debt Instruments 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.

Our Company, each of the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. While the SEBI VCF Regulations have since been repealed, the funds registered as VCFs under the SEBI VCF Regulations 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. The holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF of FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs. Category I AIFs and Category II AIFs cannot invest more than 25% of the investible funds in one investee company directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorised under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs.

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.

Our Company or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

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, in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company, in consultation with the BRLMs 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 as per 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.

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, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. Further no bank shall hold along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid-up share capital engaged in non-financial services. However, this cap does not apply to the cases mentioned in (i) and (ii) above.

The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves. Bids by banking companies should not exceed the investment limits prescribed for them under the applicable laws.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with applicable law, including the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013, respectively. 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, in consultation with the BRLMs, reserves 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 (Investment) Regulations, 2016, read with the Investments – Master Circular dated October 27, 2022, each 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. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by provident funds/ pension funds

In case of Bids made by provident funds with minimum corpus of ₹250 million and pension funds with minimum corpus of ₹250 million, registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013, subject to applicable laws, 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, in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

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, systemically important NBFCs, insurance funds set up by the army, navy or air force of the 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 (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, 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 must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company, in consultation with the BRLMs 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 subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs 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 and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve 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.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

The above information is given for the benefit of the Bidders. Our Company, each of the Selling Shareholders and the BRLMs 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 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 regulation or as specified in the Red Herring Prospectus and the Prospectus, when filed.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and NIBs 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 and the Eligible Employees under 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.

***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. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct details of ASBA Account number (i.e. bank account number or UPI ID, as applicable) and PAN in the Bid cum Application Form if you are not an UPI Bidder using the UPI Mechanism in the Bid cum Application Form and if you are an 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;

5. UPI Bidders 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. UPI Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in the list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the 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. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. UPI Bidders, may submit their ASBA Forms with the Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

9. 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 signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary, if applicable;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, 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. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

12. UPI Bidders in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

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. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and/or the designated branches of SCSBs;

15. 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 Sponsor Bank(s), 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, as the case may be, 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 raised by the Sponsor Bank(s) for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular no. MRD/DoP/Cir-20/2008 dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax 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 beneficiary 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;

17. Ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press releases dated June 25, 2021, September 17, 2021, March 30, 2022 and March 28, 2023;

18. Ensure that the Demographic Details are updated, true and correct in all respects;

19. 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;

20. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

21. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

22. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

23. Since the Allotment will be in dematerialised form only, ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, 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, PAN and UPI ID, if applicable, available in the depository database;

24. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI;

25. UPI Bidders who wish to Bid using the UPI Mechanism, should submit Bid with the Designated Intermediaries, pursuant to which the UPI Bidder should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank(s) to authorise blocking of funds equivalent to the revised Bid Amount in the UPI Bidder's ASBA Account;

26. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

27. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank(s) prior to 5:00 p.m. on the Bid/ Offer Closing Date;

28. 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;

29. UPI Bidders shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorisation of the mandate using his/her UPI PIN, a UPI Bidder may be deemed to have verified the attachment containing the application details of the UPI Bidder in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorised the Sponsor Bank(s) to block the Bid Amount mentioned in the Bid Cum Application Form; and

30. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) 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 www.sebi.gov.in).

31. The ASBA bidders shall ensure that bids above ₹500,000, are uploaded only by the SCSBs;

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 list available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. 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;

3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

5. Do not Bid at Cut-off Price (for Bids by QIBs and NIBs);

6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

7. Do not submit the Bid for an amount more than funds available in your ASBA account.

8. 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 a Bidder;

9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

10. If you are a UPI Bidder and are using UPI Mechanism, do not submit more than one ASBA Form for each UPI ID;

11. Anchor Investors should not Bid through the ASBA process;

12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

14. Do not submit the General Index Register (GIR) number instead of the PAN;

15. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

16. 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;

17. 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);

18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

19. Do not submit a Bid using UPI ID, if you are not a UPI Bidder;

20. Do not Bid on another ASBA Form or 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 Bid for Equity Shares in excess of what is specified for each category;

22. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. 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 NIB. RIBs can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an UPI Bidder which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third-party bank account or third party linked bank account UPI ID;

26. 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;

27. Do not submit a Bid cum Application Form with a third-party UPI ID or using a third-party bank account (in case of Bids submitted by UPI Bidders);

28. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned in the list provided on the SEBI website is liable to be rejected; and

29. Do not Bid if you are an OCB.

30. In case of ASBA Bidders (other than 3 in 1 Bids) Syndicate Members shall ensure that they do not upload any bids above ₹ 500,000;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/ dematerialised credit/refund orders/unblocking etc., investors can reach out to our Company Secretary, Compliance Officer and Legal Head. For details of our Company Secretary, Compliance Officer and Legal Head, see "*General Information*" beginning on page 59.

For helpline details of the BRLMs 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 60.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹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 placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; and (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB 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. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the 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 SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable.

The BRLMs shall be the nodal entity for any issues arising out of the public issuance process.

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 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

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 BRLMs 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 the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the Offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the RIBs, NIBs 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. The allotment of Equity Shares to each RIB shall not be less than the minimum bid lot, subject to the availability of shares in RIB Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. The Allotment of Equity Shares to Anchor Investors shall be on a discretionary basis

The allotment of Equity Shares to each NIB shall not be less than less than ₹200,000, subject to the availability of Equity Shares in Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in the SEBI ICDR Regulations.

Not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹200,000 and up to ₹1,000,000, and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹1,000,000, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The Allotment to each Non-Institutional Bidders shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis, in accordance with the conditions specified

Payment into Escrow Account(s) for Anchor Investors

Our Company in consultation with the BRLMs, in their absolute discretion, 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 Escrow Account(s) 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 amongst our Company, the Selling Shareholders, 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, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre- Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper, Telugu being the regional language of Hyderabad, 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, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

The Allotment advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, before 9 p.m. IST, on the date of receipt of the final listing and trading approval from the Stock Exchanges, provided such final listing and trading approval from all the Stock Exchanges is received prior to 9:00 p.m. IST on that day. In an event, if final listing and trading approval from the Stock Exchanges is received post 9:00 p.m. IST on that date, then the Allotment Advertisement shall be uploaded on the websites of our Company, BRLMs and Registrar to the Offer, following the receipt of final listing and trading approval from all the Stock Exchanges.

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in all editions of [●], an English national daily newspaper, all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a Telugu daily newspaper Telugu being the regional language of Karnataka, where our Registered Office is located), each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, each of the Selling Shareholders and the members of the Syndicate 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 the RoC Filing

(a) Our Company, each of the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). For more information, see "*Terms of the Offer*" on page 334**.**

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 our 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:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders (including Anchor Investor Application Form from Anchor Investors);

- 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 shall be taken within three Working Days from the Bid/Offer Closing Date or such other time as prescribed by SEBI under applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law for the delayed period;

- the funds required for making refunds/unblocking (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- any allotment of Equity Shares to employees of our Company pursuant to exercise of options granted under the ESOP Scheme and conversion of CCPS into Equity Shares prior to the filing of the Red Herring Prospectus with the RoC, no further issue of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.;

- our Company, in consultation with the BRLMs, reserve the right not to proceed with the Offer, 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 and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed;

- if our Company, in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI;

- that our Company shall not have recourse to the Net Proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received; and

- Promoter's contribution, if any, shall be brought in advance before the Bid/Issue Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees.

Undertakings by the Selling Shareholders

Each Selling Shareholder severally and not jointly, solely in respect of itself as a Selling Shareholder and its portion of the Equity Shares offered by it in the Offer, undertakes that:

- its respective portion of the Offered Shares being sold by it pursuant to the Offer has been held by it in accordance with Regulation 8 of the SEBI ICDR Regulations;

- it is the legal and beneficial owner of its respective Offered Shares which are offered by it pursuant to the Offer for Sale and shall be transferred in the Offer free from liens, charges and encumbrances;

- it shall transfer its portion of the Offered Shares to an escrow demat account in dematerialized form in accordance with the Share Escrow Agreement.

Only the statements and undertakings provided above, in relation to each of the Selling Shareholders and its respective portion of the Offered Shares, are statements which are specifically confirmed or undertaken, severally and not jointly, by each of the Selling Shareholders in relation to itself and its respective portion of the Offered Shares. No other statement in this Draft Red Herring Prospectus will be deemed to be "made or confirmed" by a Selling Shareholder, even if such statement relates to such Selling Shareholder.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all 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;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains un-utilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- details of all un-utilised monies out of the Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such un-utilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the GoI and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991 unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy, which, with effect from October 15, 2020 consolidated and superseded all previous press notes, press releases, circulars and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. Subject to conditions specified in the FDI Policy, up to 100% foreign investment under the automatic route is currently permitted in the "pharmaceuticals" (greenfield), while up to 74% foreign investment under the automatic route is currently permitted in "pharmaceuticals" (brownfield) with approval under the government route for any foreign investment beyond such threshold. For further details, see *"Key Regulations and Policies*" beginning on page 177.

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 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 the SEBI/ RBI.

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 ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Non-debt Instruments 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. 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 or fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the GoI is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the existing policy of the Government of India, OCBs cannot participate in the Offer.

Foreign Exchange Laws

The foreign investment in our Company is governed by *inter alia* the FEMA, as amended, the FEMA Non-debt Instruments Rules and the FDI Policy issued and amended by way of press notes.

FDI in companies engaged in manufacturing activities in India (including contract manufacturing in India) is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

In terms of the FEMA Non-debt Instruments Rules, a person resident outside India may make investments into India, subject to certain terms and conditions. In terms of the FEMA Non-debt Instruments Rules and the FDI Policy, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land borders 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 Non-debt Instruments 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 or fund in India. 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 our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/ Offer Period.

In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The aggregate limit for FPI investments shall be the sectoral cap applicable to our Company. In accordance with the FEMA Non-debt Instruments 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 general body of the Indian company. Our

Company has, pursuant to a Board resolution dated June 11, 2024 and Shareholders' resolution dated July 4, 2024, increased the limit of investment of NRIs and OCIs from 10% to up to 24% of the paid-up equity share capital of our Company, provided however that the shareholding of each NRI in our Company shall not exceed 5% of the Equity Share capital or such other limit as may be stipulated by RBI in each case, from time to time.

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", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs") in transactions exempt from the registration requirements 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 occur.

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 Shareholders and the BRLMs 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 XII: MAIN PROVISIONS OF THE ARTICLES OF ASSOCATION

Preliminary

a) Except in so far as otherwise expressly incorporated hereinafter, the regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company.

b) The regulations for the management of the Company and the observance by the Members thereof shall be such as are contained in these Articles.

c) The Articles of Association of the Company comprise two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the date of listing of the equity shares of the Company ("**Equity Shares**") pursuant to the proposed initial public offering of Equity Shares (the "**Offer**"). In the event that there is any inconsistency between any provisions in Part B of these Articles with the provisions of any other part of these Articles, then the provisions in Part B of these Articles, shall, subject to Applicable Law, prevail and be applicable. All the Articles of Part B shall automatically terminate and cease to have any force and effect from the date of listing of the Equity Shares pursuant to the Offer 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.

PART A

Definitions and Interpretation

1. In these Articles, the following words and expressions, unless repugnant to the subject, shall mean the following:

   a) "**Act**" means Companies Act, 2013, and the rules framed thereunder, and any amendments, re-enactments or other statutory modifications 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.

   b) "**Annual General Meeting**" means the annual general meeting of the Company convened and held in accordance with the Act.

   c) "**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.

   d) "**Applicable Law**" means any statute, law, regulation, ordinance, rule, notification, rule of common law, Order, bye-law, government approval, directive, guideline, requirement or other governmental restriction applicable to the jurisdiction of India, or any similar form of decision of, or determination by, or any interpretation, policy or administration, having the force of law, by any governmental authority having jurisdiction over the matter in question, as may be amended, modified, enacted or revoked from time to time hereafter.

   e) "**Board**" or "**Board of Directors**" means the board of directors of the Company in office at applicable time

   f) "**Company**" means Sai Life Sciences Limited, a company incorporated under the laws of India and is a public company within the meaning of section 2(71) of the Act.

   g) **"Depositories Act"** means the Depositories Act, 1996 or any statutory modification or re- enactment thereof for the time being in force.

   h) "**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.

   i) "**Director**" means any director of the Company, including alternate directors, independent directors and nominee directors appointed in accordance with and the provisions of these Articles.

   j) "**Extraordinary General Meeting**" means an extraordinary general meeting of the Company convened and held in accordance with the Act;

   k) "**General Meeting**" means any duly convened meeting of the shareholders of the Company and any adjournments thereof;

l) “**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;

m) “**Memorandum**” or “**Memorandum of Association**” means the memorandum of association of the Company, as may be altered from time to time;

n) “**Office**” means the registered office, for the time being, of the Company;

o) “**Officer**” shall have the meaning assigned thereto by the Act;

p) “**Ordinary Resolution**” shall have the meaning assigned thereto by the Act;

q) “**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;

r) “**Seal**” means the common seal of the Company.

s) “**Securities or Shares**” means all classes of shares in the Share Capital issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares and shall for avoidance of doubt include Equity Shares and preference shares;

t) “**Special Resolution**” shall have the meaning assigned thereto by the Act.

2. Except where the context requires otherwise, these Articles will be interpreted as follows:

a) headings are for convenience only and shall not affect the construction or interpretation of any provision of these Articles.

b) where a word or phrase is defined, other parts of speech and grammatical forms and the cognate variations of that word or phrase shall have corresponding meanings;

c) words importing the singular shall include the plural and vice versa;

d) all words (whether gender-specific or gender neutral) shall be deemed to include each of the masculine, feminine and neuter genders;

e) the expressions “hereof”, “herein” and similar expressions shall be construed as references to these Articles as a whole and not limited to the particular Article in which the relevant expression appears;

f) the ejusdem generis (of the same kind) rule will not apply to the interpretation of these Articles. Accordingly, **include** and **including** will be read without limitation;

g) any reference to a **person** includes any individual, firm, corporation, partnership, company, trust, association, joint venture, government (or agency or political subdivision thereof) or other entity of any kind, whether or not having separate legal personality. A reference to any person in these Articles shall, where the context permits, include such person’s executors, administrators, heirs, legal representatives and permitted successors and assigns;

h) a reference to any document (including these Articles) is to that document as amended, consolidated, supplemented, novated or replaced from time to time;

i) references made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act, 2013 have been notified.

j) a reference to a statute or statutory provision includes, to the extent applicable at any relevant time:

   i. that statute or statutory provision as from time to time consolidated, modified, re- enacted or replaced by any other statute or statutory provision; and

   ii. any subordinate legislation or regulation made under the relevant statute or statutory provision;

k) references to writing include any mode of reproducing words in a legible and non-transitory form;

l) references to **Rupees, Rs., Re., INR, ₹** are references to the lawful currency of India; and

m) save as aforesaid, any words or expression defined in the Act shall, if not inconsistent with the subject pr context bear the same meaning in these Articles.

Share capital and variation of rights

3. Subject to the provisions of section 62 of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to the compliance with the provision of section 53 of the Act) and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

4. (i) Every person whose name is entered as a Member in the Register of Members shall be entitled to receive within two months after incorporation in case of subscribers to the Memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division, consolidation or renewal of any of its shares, within such other period as the conditions of issue shall be provided—

(a) one certificate for all his shares of each class or denomination registered in his name, without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall specify the number and distinctive numbers of 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:

Provided that in case the Company has a common Seal it shall be affixed in the presence of the persons required to sign the certificate.

(iii) 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 holders.

5. 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 time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within two months of the receipt of application of registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be.

6. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding ₹50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of Articles (2) and (4) shall mutatis mutandis apply to debentures of the Company.

7. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any

equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

8. (i) The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40 of the Act, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder.

(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40 of the Act.

(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

9. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths 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 shares of that class.

(ii) To every such separate meeting, the provisions of these regulations relating to General Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

10. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking pari passu therewith.

11. Subject to the provisions of section 55 of the Act, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Further Issue of Shares

12. Where at any time the Board or the Company, as the case may be, proposes 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:

a) 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 (i) to (iii) below;

(i) 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 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;

(ii) 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) above shall contain a statement of this right;

Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him.

(iii) 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;

b) to employees under any scheme of employees' stock option subject to Special Resolution passed by the Company and subject to the rules and such other conditions, as may be prescribed under Applicable Law; or

c) to any person(s), if it is authorised by a Special Resolution, whether or not those persons include the persons referred to in Article 12(a) or Article 12(b) above either for cash or for a consideration other than cash, subject to such conditions as may be prescribed under the Act and the rules made thereunder;

13. Nothing in sub-article (iii) of Article 12 shall be deemed:

a) To extend the time within which the offer should be accepted; or

b) 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.

14. Nothing in Article 12 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 loan raised by the Company to convert such debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in General Meeting.

15. Notwithstanding anything contained in Article 14 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.

Term of Issue of Debentures:

16. Any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Lien

17. The Company shall have a first and paramount lien—

a) upon all the shares/debentures (other than fully paid-up shares/ debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called or payable at a fixed time in respect of such shares/ debentures and no equitable interest in any share/ debenture shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends payable and bonuses declared from time to time in respect of such shares/ debentures.

b) Unless otherwise agreed the registration of a transfer of shares/ debentures shall operate as a waiver of the Company's lien, if any, on such shares/ debentures.

Fully paid up shares shall be free from all liens. In case of partly-paid shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such shares. Provided that the Board of Directors may at any time declare any shares/debentures to wholly or in part exempt from the provisions of this Article.

18. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

19. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

20. (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

21. (i) The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call

(ii) Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

23. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

24. (i) The Directors may, if they think fit, subject to the provisions of section 50 of the Act, agree to and receive from any Member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the Member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(ii) The Members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable.

(iii) The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.

25. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

26. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

27. The Board—

a) may, if it thinks fit, receive from any Member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the Member paying the sum in advance.

Transfer of shares

28. The instrument of transfer shall be in writing and all provisions of Section 56 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. A common form of transfer shall be used in case of transfer of shares.

29. (i) The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

(ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

30. The Board may, subject to the right of appeal conferred by section 58 of the Act decline to register—

a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

b) any transfer of shares on which the Company has a lien.

31. The Board may decline to recognise any instrument of transfer unless—

a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;

b) the instrument of transfer is accompanied by the certificate of the 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

c) the instrument of transfer is in respect of only one class of shares.

32. On giving not less than seven days' previous notice in accordance with section 91 of the Act and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

33. (i) On the death of a Member, the survivor or survivors where the Member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

34. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a Member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

a) to be registered himself as holder of the share; or

b) to make such transfer of the share as the deceased or insolvent Member could have made.

(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the share before his death or insolvency.

35. (i) 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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers 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.

36. A person becoming entitled to a share by reason of the death or insolvency of the holder shall 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 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 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

37. Subject to the provisions of section 58 of the Act, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month 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, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either 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.

38. 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.

Forfeiture of shares

39. If a Member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

40. The notice aforesaid shall—

a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

41. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

42. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

43. (i) A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

(ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

44. (i) A duly verified declaration in writing that the declarant is a Director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

45. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

46. The Company may, from time to time, by Ordinary Resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

47. Subject to the provisions of section 61 of the Act, the Company may, by Ordinary Resolution,—

a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum;

d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

48. 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 regulations 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 regulations of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.

49. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—

a) its share capital;

b) any capital redemption reserve account; or

c) any share premium account.

Capitalisation of profits

50. (i) The Company in General Meeting may, upon the recommendation of the Board, resolve—

a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—

(A) paying up any amounts for the time being unpaid on any shares held by such Members respectively;

(B) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid;

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to Members of the Company as fully paid bonus shares;

(E) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.

51. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and

b) generally do all acts and things required to give effect thereto.

(ii) The Board shall have power—

a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such Members.

Buy-back of shares

52. Notwithstanding anything contained in these Articles but subject to the provisions of sections 68 to 70 of the Act and any other applicable provision 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

53. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

54. (i) The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

(ii) If at any time Directors capable of acting who are sufficient in number to form a quorum are not within India, any Director or any two Members of the Company may call an Extraordinary General Meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at General Meetings

55. (i) No business shall be transacted at any General Meeting unless a quorum of Members is present at the time when the meeting proceeds to business.

(ii) Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in section 103 of the Act.

56. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

57. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the Directors present shall elect one of their Members to be Chairperson of the meeting.

58. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one of their Members to be Chairperson of the meeting.

Adjournment of meeting

59. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

60. 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 present in person shall have one vote; and

b) on a poll, the voting rights of Members shall be in proportion to his share in the paid-up equity share capital of the Company.

61. A Member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Act and shall vote only once.

62. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

(ii) For this purpose, seniority shall be determined by the order in which the names stand in the Register of Members.

63. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

64. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

65. No Member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

66. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

67. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

68. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105 of the Act.

69. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

70. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), provided that the Company may appoint more than 15 (fifteen) directors after passing a special resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.

71. The following were the first Directors of the Company:

a) N Ravindra Varma;

b) Kanumuri Ranga Raju; and

c) G S Raju.

72. (i) The remuneration of the Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them—

a) in attending and returning from meetings of the Board of Directors or any committee thereof or General Meetings of the Company; or

b) in connection with the business of the Company.

73. The Board may pay all expenses incurred in getting up and registering the Company.

74. The Company may exercise the powers conferred on it by section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that (section) make and vary such regulations as it may thinks fit respecting the keeping of any such register.

75. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

76. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

77. (i) Subject to the provisions of section 149 of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the Directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(ii) Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Proceedings of the Board

78. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A Director may, and the manager or secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

79. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

(ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

80. The continuing Directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.

81. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be Chairperson of the meeting.

82. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.

(ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

83. (i) A committee may elect a Chairperson of its meetings.

(ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.

84. (i) A committee may meet and adjourn as it thinks fit.

(ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the Members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

85. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a director.

86. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the Members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

87. Subject to the provisions of the Act,—

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

88. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a Director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

89. (i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the company secretary of the Company or such other person as the Board may appoint for the purpose; and those two Directors and the secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Explanation.- : For the purposes of this sub-paragraph it is hereby clarified that on and from the commencement of the Companies (Amendment) Act, 2015 (21 of 2015), i.e. with effect from the 29th May, 2015, Company may not be required to have the Seal by virtue of registration under the Act and if a Company does not have the Seal, the provisions of this sub-paragraph shall not be applicable.

Dividends and Reserve

90. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

91. Subject to the provisions of section 123 of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.

92. (i) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

(ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

93. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

94. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

95. (i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Register of Members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

96. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

97. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

98. No dividend shall bear interest against the Company.

99. (i) Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called "Unpaid Dividend Account"

(ii) Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

(iii) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

Accounts

100. (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of Members not being Directors.

(ii) No Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in General Meeting.

Winding up

(i) 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.

(ii) 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.

(iii) 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.

Indemnity

101. Every Officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

Part B

Part B of the Articles of Association provides for, among other things, the rights of certain shareholders pursuant to the Shareholders' Agreement. For more details in relation to the SHA, see "*History and Certain Corporate Matters –Shareholders' agreements and other agreements*" on page 188.

SECTION XIII: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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 and 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 the Registered Office between 10 a.m. and 5 p.m. IST on all Working Days and shall be also available on the web link https://www.sailife.com/investors/ from the 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

a) Offer Agreement dated July 29, 2024 entered into amongst our Company, the Selling Shareholders and the BRLMs.

b) Registrar Agreement dated July 10, 2024 entered into amongst our Company, the Selling Shareholders and the Registrar to the Offer.

c) Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.

d) Cash Escrow and Sponsor Banks Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, Syndicate Members, Escrow Collection Bank(s), Sponsor Bank(s), Public Offer Account Bank(s) and the Refund Bank(s).

e) Share Escrow Agreement dated [●] amongst the Selling Shareholders, our Company and the Share Escrow Agent.

f) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, Registrar to the Offer, the BRLMs and Syndicate Members.

g) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

a) Certified copies of our MoA and AoA, as amended.

b) Certificate of incorporation dated January 25, 1999, fresh certificate of incorporation dated December 16, 2003 consequent to name change, fresh certificate of incorporation dated August 30, 2006 consequent to name change, and fresh certificate of incorporation dated May 28, 2012 consequent to name change.

c) Certificate of commencement for business dated February 17, 1999 from Registrar of Companies, Andhra Pradesh at Hyderabad

d) Resolution of the Board of Directors dated July 4, 2024 approving the Offer and other related matters.

e) Shareholders' resolution dated July 4, 2024, approving the Fresh Issue and other related matters.

f) Resolution of the Board of Directors dated July 29, 2024 approving this Draft Red Herring Prospectus.

g) Resolution of the Board of Directors dated July 10, 2024 taking on record the approval for the Offer for Sale by each of the Selling Shareholders.

h) Resolution of IPO Committee dated July 12, 2024 taking on record the consent to participate in the Offer for Sale by each of the Selling Shareholders.

i) Resolution dated July 29, 2024 passed by the Audit Committee approving the KPIs for disclosure.

j) Resolutions of the Board of Director and shareholder dated May 21, 2024 and June 14, 2024, respectively, approving the revised remuneration structure of the Managing Director and Chief Executive Officer of our Company.

k) Resolution of the Board of Director and the shareholders dated May 21, 2024 and June 14, 2024, respectively, approving the revised remuneration structure of the Chairman and Whole time Director of our Company.

l) Scheme of arrangement entered into by and amongst our Company, Sai Quest Syn Private Limited and their respective shareholders and creditors along with valuation report dated April 29, 2019 commissioned by Sai Quest Syn Private Limited.

m) Deed of Gift dated July 10, 2024 entered into by and among TPG, HBM Private Equity India, Kanumuri Ranga Raju, Kanumuri Mytreyi, Krishnam Raju Kanumuri, Sai Quest Syn Private Limited and certain other parties.

n) Consent letters and authorisations from each of the Selling Shareholders, as applicable, authorising their participation in the Offer. For further details, see "*The Offer*" beginning on page 53.

o) Consent from Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditor, holding a valid peer review certificate from the 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 the Companies Act, 2013, to the extent and in their capacity as our Statutory Auditor, and in respect of their (a) examination report on the Restated Consolidated Financial Information, and (b) report on the statement of possible special tax benefits available to our Company and its Shareholders; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined underthe US Securities Act.

p) Consent dated July 29, 2024 from Vishvakarma Consultancy Services Pvt. Ltd., to include their name as required under Section 26(5) of the Companies Act, 2013 read with the SEBI ICDR Regulations, in this Draft Red Herring Prospectus, as an "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the independent chartered engineer and in respect of the certificate issued by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

q) Copies of the annual reports of our Company for Fiscals 2024, 2023 and 2022.

r) The examination report dated July 10, 2024 of the Statutory Auditors on our Restated Consolidated Financial Information.

s) The statement of possible special tax benefits dated July 11, 2024 from the Statutory Auditors.

t) Consents of our Directors, Company Secretary, Compliance Officer and Legal Head, legal counsel to our Company as to Indian law, Bankers to our Company, Banker(s) to the Offer, the BRLMs, Syndicate Members, Registrar to the Offer to act in their specific capacities.

u) Certificate dated July 29, 2024 issued by Bashetty and Joshi, Chartered Accountants, certifying the KPIs of our Company.

v) Report titled '*Independent Market Assessment of the Global and Indian CRDMO Market'* dated July 8, 2024 prepared and issued by Frost & Sullivan which has been commissioned and paid for by our Company exclusively for the purposes of the Offer.

w) Consent dated July 10, 2024 of Frost & Sullivan in respect of the Industry Report.

x) Shareholders' Agreement dated March 27, 2019 entered into by and among our Company, TPG, Krishnam Raju Kanumuri, Kanumuri Ranga Raju, Gokaraju Lakshmi Tanuja, Continental Wines Private Limited, Kanumuri Sudha, Kanumuri Mytreyi, Sai Quest Syn Private Limited, Gokaraju Subba Raju, Bharathi Srivari, Raju Penmasta, Aruna Penmasta, Ravindra Varma Nandyala, Anita Rudraraju Nandyala, N. Anjelica, N. Anisha, K. V. Satyanarayana Raju, K. Anuradha, G Ramakrishnam Raju, Kanuri Family Trust and HBM Private Equity India, and parties deemed to be parties to the Shareholders' Agreement pursuant to the respective deed of adherence, namely Marigold Partners, Tulip Partners, Sunflower Partners, and Lily Partners as amended by Shareholder's Amendment Agreement dated July 10, 2024.

y) Agreement dated November 27, 2023 entered by and among our Company, Krishnam Raju Kanumuri, TPG Asia VII SF Pte. Ltd, Marigold Partners, Sunflower Partners, Tulip Partners and Lily Partners as amended by Preference Shares Amendment Agreement dated July 10, 2024.

z) Due diligence certificate dated July 29, 2024 addressed to SEBI from the BRLMs.

aa) In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

bb) Final observation letter bearing number [●] dated [●] issued by SEBI.

cc) Tripartite agreement dated October 12, 2010 amongst our Company, NSDL and Registrar to the Offer.

dd) Tripartite agreement effective as of October 22, 2018 amongst our Company, CDSL and Registrar to the Offer.

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 rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Kanumuri Ranga Raju

Chairman and Whole time Director

Place: Hyderabad, Telangana

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Krishnam Raju Kanumuri

Managing Director and Chief Executive Director

Place: Hyderabad, Telangana

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Mitesh Daga

Non-Executive Director

Place: Mumbai, Maharashtra

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Rajagopal Srirama Tatta

Independent Director

Place: U.S.A

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

____

Ramesh Ganesh Iyer

Independent Director

Place: Mumbai, Maharashtra

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Suchita Sharma

Independent Director

Place: Delhi

Date: July 29, 2024

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the rules, guidelines/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, each as amended or rules made or guidelines or regulations notified thereunder, as the case may be. I further certify that all disclosures and statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sivaramakrishnan Chittor

Place: Hyderabad, Telangana

Date: July 29, 2024

DECLARATION

We, Sai Quest Syn Private Limited, acting as a Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of Sai Quest Syn Private Limited

Name: Kanumuri Mytreyi

Designation: Director

Place: Hyderabad, Telangana

Date: July 29, 2024

DECLARATION

We, HBM Private Equity India, acting as a Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of HBM Private Equity India

Name: Fawaaz Hisaund

Designation: Director

Place: Ebene, Mauritius

Date: July 29, 2024

DECLARATION

We, TPG Asia VII SF Pte Ltd., acting as a Selling Shareholder, hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to ourselves, severally and not jointly, as a Selling Shareholder and our respective portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

____

Signed for and on behalf of TPG Asia VII SF Pte Ltd

Name: Lee Wei Sheng

Designation: Director

Place: Singapore

Date: July 29, 2024

DECLARATION

Each Other Selling Shareholder hereby confirm that all statements, disclosures and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus in relation to itself, severally and not jointly, as an Other Selling Shareholder and its portion of the Offered Shares, are true and correct. Each Other Selling Shareholder assumes no responsibility, for any other statements, disclosures and undertakings, including, any of the statements, disclosures or undertakings made or confirmed by or relating to the Company, or any other Selling Shareholder(s) or any other person(s) in this Draft Red Herring Prospectus.

For and on behalf of Bharathi Srivari, Anita Rudraraju Nandyala, Raju Penmasta, Dr. Dirk Walter Sartor, Jagdish Viswanath Dore, Rajagopal Srirama Tatta, K Pandu Ranga Raju, Alluri Srinivasa Raju, Bhupathi Raju Atchuta Ramakrishna Raju, Srinivasa Rao Karra and Venkata Narasimha Sastry Renduchintala

____

Signed for and on behalf of the Other Selling Shareholders

Name: Sivaramakrishnan Chittor

Designation: Chief Financial Officer

Place: Hyderabad, Telangana

Date: July 29, 2024