DRAFT RED HERRING PROSPECTUS
Dated: July 10, 2020
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

GLAND PHARMA LIMITED

Our Company was incorporated as Gland Pharma Private Limited, a private limited company, at Hyderabad under the Companies Act, 1956 on March 20, 1978 and was granted the certificate of incorporation by the Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, the name of the Company was changed to Gland Pharma Limited pursuant to a special resolution passed by the shareholders of the Company on December 5, 1994, and a fresh certificate of incorporation dated April 25, 1995 was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad consequent upon change of name and conversion into a public limited company under the Companies Act, 1956. For further details of change in name and registered office of the Company, see "*History and Certain Corporate Matters*" on page 144.

Registered and Corporate Office: Sy. No. 143 - 148, 150 and 151, Near Gandi Maisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal - Gandi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India; **Tel**: +91 40 3051 0999
Website: www.glandpharma.com; **Contact Person**: Sampath Kumar Pallerlamudi, Company Secretary and Compliance Officer; **E-mail**: investors@glandpharma.com
Corporate Identity Number: U24239TG1978PLC002276

OUR PROMOTERS: FOSUN PHARMA INDUSTRIAL PTE. LTD AND SHANGHAI FOSUN PHARMACEUTICAL (GROUP) CO., LTD.

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 1 EACH ("EQUITY SHARES") OF GLAND PHARMA LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹12,500 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 34,863,635 EQUITY SHARES, INCLUDING UP TO 19,368,686 EQUITY SHARES BY FOSUN PHARMA INDUSTRIAL PTE. LTD ("PROMOTER SELLING SHAREHOLDER") AND UP TO 10,047,435 EQUITY SHARES BY GLAND CELSUS BIO CHEMICALS PRIVATE LIMITED, UP TO 3,573,014 EQUITY SHARES BY EMPOWER DISCRETIONARY TRUST, AND UP TO 1,874,500 EQUITY SHARES BY NILAY DISCRETIONARY TRUST (COLLECTIVELY, THE "OTHER SELLING SHAREHOLDERS" AND COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDER ARE REFERRED TO AS THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF EQUITY SHARES IS ₹1 EACH. THE PRICE BAND AND THE MINIMUM BID LOT SHALL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], AN ENGLISH NATIONAL DAILY NEWSPAPER, [●] EDITIONS OF [●], A HINDI NATIONAL DAILY NEWSPAPER AND [●] EDITIONS OF [●], A TELUGU DAILY NEWSPAPER (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED AND CORPORATE 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 BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (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 similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a 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 Designated Intermediaries and the Sponsor Bank.

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 Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**") provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 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 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 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being 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 RIBs), if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 288.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹1. The Floor Price, Cap Price and Offer Price should not be taken 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 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*" on page 21.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that 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 confirms that the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus to the extent of information specifically pertaining to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

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 [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 306.

BOOK RUNNING LEAD MANAGERS TO THE OFFER				REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Maharashtra, India **Tel:** +91 22 4336 0000 **E-mail:** glandpharma.ipo@kotak.com **Investor grievance e-mail:** kmccredressal@kotak.com **Website:** www.investmentbank.kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No:** INM000008704	**Citigroup Global Markets India Private Limited** 1202, First International Financial Center Bandra Kurla Complex, Bandra (East) Mumbai 400 098 Maharashtra, India **Tel:** +91 22 6175 9999 **E-mail:** glandpharma.ipo@citi.com **Investor grievance e-mail:** investors.cgmib@citi.com **Website:** www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm **Contact Person:** Ashish Guneta **SEBI Registration No:** INM000010718	**Haitong Securities India Private Limited** 1203A, Floor 12A, Tower 2A, One Indiabulls Centre 841, Senapati Bapat Marg, Elphinstone Road Mumbai 400 013 Maharashtra, India **Tel:** +91 22 4315 6857 **E-mail:** gland.pharma.ipo@htisec.com **Investor grievance e-mail:** India.Compliance@htisec.com **Website:** http://www.htisec.com/en-us/haitong-india **Contact Person:** Ritesh Khetan **SEBI Registration No:** INM000012045	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F, Shivsagar Estate, Dr. Annie Besant Road, Worli, Mumbai 400 018 Maharashtra, India **Tel:** +91 22 4037 4037 **E-mail:** glandpharmaipo@nomura.com **Investor grievance e-mail:** investorgrievances-in@nomura.com **Website:** www.nomuraholdings.com/company/group/asia/india/index.html **Contact Person:** Vishal Kanjani / Kshitij Thakur **SEBI Registration No:** INM000011419	**Link Intime India Private Limited** C-101, 1st Floor 247 Park Lal Bahadur Shastri Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India **Tel**: +91 22 4918 6200 **E-mail**: glandpharma.ipo@linkintime.co.in **Investor grievance e-mail**: glandpharma.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No.**: INR000004058

BID/ OFFER SCHEDULE

BID/ OFFER OPENS ON	[●][(1)]	**BID/ OFFER CLOSES ON**	[●][(2)]

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

(2) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Statements", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of Articles of Association" on pages 94, 139, 88, 186, 86, 144, 259, 269, 261 and 301, respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
"our Company", "the Company", "the Issuer"	Gland Pharma Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Sy. No. 143 – 148, 150 and 151, Near Gandi Maisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal – Gandi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India
"we", "us" or "our"	Unless the context otherwise indicates or implies, refers to our Company

Company Related Terms

Term	Description
"Articles of Association" or "AoA"	Articles of association of our Company, as amended
Audit Committee	The audit committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 150
"Auditors" or "Statutory Auditors"	S.R. Batliboi & Associates LLP, Chartered Accountants, current statutory auditors of our Company
"Board" or "Board of Directors"	Board of directors of our Company
CCPS	Compulsorily convertible preference shares of the Company of face value of ₹10 each
Continuing Shareholders	Collectively, Gland Celsus Bio Chemicals Private Limited, RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Nilay Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Odin Discretionary Trust) and the trustees of Rivendell Discretionary Trust
Continuing Shareholders SHA	Amended and restated shareholders' agreement dated September 15, 2017 entered into amongst our Company, Fosun Singapore and the Continuing Shareholders, as amended by the amendment no.1 dated January 24, 2019 and the Continuing Shareholders WCA
Continuing Shareholders WCA	Waiver cum amendment agreement dated June 22, 2020 to the amended and restated shareholders' agreement dated September 15, 2017 entered into amongst our Company, Fosun Singapore and the Continuing Shareholders, as amended by the amendment no.1 dated January 24, 2019
Corporate Social Responsibility Committee	The corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "*Our Management*" on page 150
Director(s)	The directors on the Board of our Company
Empower Trust	Empower Discretionary Trust, which holds Equity Shares through its trustee RP Advisory Services Private Limited
Equity Shares	Equity shares of our Company of face value of ₹1 each
ESOP Plan 2019	Gland Pharma Employee Stock Option Plan 2019
ESOP Scheme 2019	Gland Pharma Employee Stock Option Scheme 2019
Existing Investors	Collectively, Jeshta Farms Private Limited, Satabisha Agro Private Limited, Sravana Agro Private Limited, Rohini Bio-Tech Private Limited, Chitta Farms Private Limited, Punarvasu Bio-Tech Private

Term	Description
	Limited, Hastha Agro-Tech Private Limited, Hansagiri Greenlands Private Limited, Arunagiri Agro-Farms Private Limited, Vishnupadi Greenlands Private Limited
Existing Investors SHA	Shareholders' agreement dated July 28, 2016 entered into amongst the Existing Investors, our Company and Fosun Singapore, as amended by the amendment agreement dated September 15, 2017 and the Existing Investors WCA
Existing Investors WCA	Waiver cum amendment agreement dated June 22, 2020 to the shareholders' agreement dated July 28, 2016 entered into amongst the Existing Investors, our Company and Fosun Singapore, as amended by the amendment agreement dated September 15, 2017
Fosun Singapore	Fosun Pharma Industrial Pte. Ltd
Fosun Pharma Sp. z. o. o.	Fosun Pharma Spolka Z Ograniczona Opdowiedzialnoscia
Gland Celsus	Gland Celsus Bio Chemicals Private Limited
Group Companies	Our group companies, namely Chongqing Carelife Pharmaceutical Co., Ltd., Chongqing Pharmaceutical Research Institute Co., Ltd., Fosun Pharma USA Inc., Gland Celsus Bio Chemicals Private Limited, Gland Chemicals Private Limited, Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd., Fosun Pharma Sp. z. o. o., Guilin Pharmaceutical Co., Ltd., Jiangsu Wanbang Biopharmaceutical Company Limited, Jinzhou Aohong Pharmaceuticals Co., Ltd., Moreschi Asia Doors Private Limited, Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. and Shanghai Henlius Biotech, Inc., as disclosed in *"Our Group Companies"* on page 178
Independent Directors	Independent directors on the Board, as disclosed in "*Our Management*" on page 150
IPO Committee	The IPO committee of our Company as described in "*Our Management*" on page 150
IQVIA	IQVIA Consulting and Information Services India Private Limited
IQVIA Report	Report titled 'Global Injectable Industry Overview' dated July 8, 2020, issued by IQVIA
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations as disclosed in "*Our Management*" on page 150
MD and CEO	Managing Director and Chief Executive Officer of our Company, namely Srinivas Sadu
"Memorandum of Association" or "MoA"	Memorandum of association of our Company, as amended
Nilay Trust	Nilay Discretionary Trust, which holds Equity Shares through its trustee RP Advisory Services Private Limited
Nomination and Remuneration Committee	Nomination and remuneration committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 150
Other Selling Shareholders	Collectively, Gland Celsus, Empower Trust and Nilay Trust
Promoters	Our Promoters, namely, Fosun Singapore and Shanghai Fosun Pharma
Promoter Group	Entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 168
Promoter Selling Shareholder	Fosun Singapore
RCPS	Redeemable convertible preference shares of the Company of face value of ₹10 each
Registered and Corporate Office	Registered and corporate office of our Company located at Sy. No. 143 – 148, 150 and 151, Near Gandi Maisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal – Gandi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India
"Registrar of Companies" or "RoC"	Registrar of Companies, Telangana at Hyderabad
Restated Financial Information	Our restated summary statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the restated statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the year ended March 31, 2020 , March 31, 2019 and March 31, 2018 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from audited financial statements as at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI
Selling Shareholders	Collectively, Fosun Singapore, Gland Celsus, Empower Trust and Nilay Trust
Shanghai Fosun Pharma	Shanghai Fosun Pharmaceutical (Group) Co., Ltd.
Shareholders	Shareholders of our Company
SPA	Share purchase agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma, Fosun Singapore, KKR Floorline Investments Pte. Ltd, Gland Celsus Bio Chemicals Private Limited, Ethigen Labs Private Limited, Questar Laboratories Private Limited, PVN Raju and K. Jhansi

Term	Description
	Lakshmi (as trustees of Surya Trust), RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of Nilay Discretionary Trust), K. Jhansi Lakshmi and Ravindranath Penmetsa, as amended by amendment no. 1 dated April 24, 2017, amendment no. 2 dated July 27, 2017, and amendment no. 3 dated September 15, 2017
Stakeholders' Relationship and Share Transfer Committee	The stakeholders' relationship and share transfer committee of our Company, constituted in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 150
Subscription Agreement	Share subscription agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma and Fosun Singapore, as amended by amendment no. 1 dated September 15, 2017
Tag-Along Agreement	Amended and restated tag-along agreement dated September 15, 2017 entered into amongst our Company, the Continuing Shareholders and the Existing Investors as amended by the Tag-Along Amendment Agreement
Tag-Along Amendment Agreement	Amendment agreement dated June 22, 2020 to the amended and restated tag-along agreement dated September 15, 2017 entered into amongst our Company, the Continuing Shareholders and the Existing Investors
Vetter SPA	Share purchase agreement dated July 28, 2016 entered into amongst our Company, Fosun Singapore, Shanghai Fosun Pharma, Fosun Industrial Co., Limited, Ample Up Limited, Lustrous Star Limited, Regal Gesture Limited, Udo Johannes Vetter, Bianca Maria Vetter, Cornelia Vetter Kerkhoff, Klaus Schoenwetter and Kaara Radon, as amended by amendment no. 1 dated September 15, 2017

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document 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 to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	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	Price at which Equity Shares will be allocated to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	Application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Bid/Offer Period	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company and the Selling Shareholders 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"	Application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
ASBA Account	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 an RIBs which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism

Term	Description
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	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
Bankers to the Offer	Collectively, Escrow Collection Bank(s), Public Offer Account Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Structure*" beginning on page 285
Bid	Indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid.
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/ 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, which shall be notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/ Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, 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 notified in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation
Bid/ Offer Period	Except in relation to Anchor Investors, the period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
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	Book building process, as provided in 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, Citi, Haitong and Nomura
Broker Centres	Centres notified by the Stock Exchanges where 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)
"CAN" or "Confirmation of Allocation Note"	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	Higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Cash Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid

Term	Description
	Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
Citi	Citigroup Global Markets India Private Limited
Client ID	Client identification number maintained with one of the Depositories in relation to demat account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the respective websites of the Stock Exchanges, as updated from time to time
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholders in consultation with the BRLMs, which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including the Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with 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 RIBs using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs 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 RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, 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 can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated July 10, 2020 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 NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an Offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares
Escrow Account	Accounts to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	Bank(s) which are clearing members and registered with SEBI as banker(s) to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account will be opened, in this case being [●]
First or sole Bidder	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	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 aggregating up to ₹12,500 million by our Company

Term	Description
General Information Document	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
Haitong	Haitong Securities India Private Limited
Kotak	Kotak Mahindra Capital Company Limited
Maximum RIB Allottees	Maximum number of RIBs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot, subject to valid Bids being received at or above the Offer Price
Mutual Fund Portion	5% of the Net QIB Portion, or [●] Equity Shares which shall be available for allocation to Mutual Funds only, subject to valid Bids being received at or above the Offer Price
Net Proceeds	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*" on page 76
Net QIB Portion	The QIB Portion less the number of Equity Shares allocated to the Anchor Investors
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders 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	Portion of the Offer being not less than 15% of the Offer consisting of [●] Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	Person resident outside India, as defined under FEMA
Offer	The initial public offer of Equity Shares comprising of the Fresh Issue and the Offer for Sale.
Offer Agreement	Agreement dated July 10, 2020 entered amongst our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 34,863,635 Equity Shares aggregating up to ₹[●] million, comprising of up to 19,368,686 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder, up to 10,047,435 Equity Shares aggregating up to ₹[●] million by Gland Celsus, up to 3,573,014 Equity Shares aggregating up to ₹[●] million by Empower Trust and up to 1,874,500 Equity Shares aggregating up to ₹[●] million by Nilay Trust in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders 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 the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 76
Offered Shares	Up to 34,863,635 Equity Shares aggregating up to ₹[●] being offered for sale by the Selling Shareholders in the Offer for Sale
Price Band	Price band of a minimum price of ₹[●] per Equity Share (Floor Price) and the maximum price of ₹[●] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper, (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	Date on which our Company and the Selling Shareholders in consultation with the BRLMs will finalise the Offer Price
Prospectus	Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, 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	Bank account to be opened with the Public Offer Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Offer Account Bank(s)	A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Offer Account will be opened, in this case being [●]

Term	Description
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer consisting of [●] Equity Shares which shall be available for allocation to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs" or "QIB Bidders"	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
"Red Herring Prospectus" or "RHP"	Red herring prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 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 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
Refund Bank(s)	Banker(s) to the Offer and with whom the Refund Account will be opened, in this case being [●]
Registered Brokers	Stock brokers registered under SEBI (Stock Brokers) Regulations, 1992, as amended with 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
Registrar Agreement	Agreement dated June 29, 2020 entered amongst our Company, the Selling Shareholders and the Registrar 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 as per the list available on the websites of BSE and NSE, and the UPI Circulars
"Registrar to the Offer" or "Registrar"	Link Intime India Private Limited
"Retail Individual Bidder(s)" or "RIB(s)"	Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form 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 Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/ Offer Period and withdraw their Bids until Bid/Offer Closing Date
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 https:/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 RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=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 is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Share Escrow Agent	Share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]
Share Escrow Agreement	Agreement to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate shall accept ASBA Forms from Bidders
Sponsor Bank	[●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI and carry out other responsibilities, in terms of the UPI Circulars
"Syndicate" or "Members of the Syndicate"	Together, the BRLMs and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the BRLMs and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]

Term	Description
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
Underwriters	[●]
Underwriting Agreement	Agreement to be entered amongst our Company 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 Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB 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 RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer
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, as per circulars issued by SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
505(b)(2) filing	A new drug application described in section 505(b)(2) of the FFDCA that contains full reports of investigations of safety and effectiveness but where at least some of the information required for approval comes from studies not conducted by or for the applicant and for which the applicant has not obtained a right of reference. It is submitted under section 505(b)(1) of the FFDCA and approved under section 505(c) of the FFDCA
AGES	Austrian Agency for Health and Food Safety
ANDA	Abbreviated New Drug Application
ANVISA	Agência Nacional de Vigilância Sanitária (Brazilian Health Regulatory Agency)
API	Active Pharmaceutical Ingredient
Ayushman Bharat	Ayushman Bharat Pradhan Mantri Jan Arogya Yojana, a scheme of the Government of India under its National Health Policy, implemented by the National Health Authority
BGV Hamburg	Behörde für Gesundheit und Verbraucherschutz (BGV) Hamburg (Germany) (Public Health Department in Hamburg, Germany)
CBE	A "Changes Being Effected" filing made with the USFDA in relation to a modification to a product
CBE-30	A CBE filing made at least 30 days prior to expected distribution of the modified product
CDMO	Contract Development and Manufacturing Organisation
CDSCO	Central Drugs Standard Control Organisation (India)
CFT	Cross functional teams
CMO	Contract Manufacturing Organisation
cGMP	Current Good Manufacturing Practice
DCA	Drugs Control Administration (Governments of Telangana and Andhra Pradesh, India)
DCA Rules	Drugs and Cosmetics Rules, 1945
DMF	Drug Master Files
DPCO	Drug Prices Control Order
EMA	European Medicines Agency
FFDCA	Federal Food, Drug, and Cosmetic Act

Term	Description
First-to-File	The first applicant to submit a substantially completed ANDA is given marketing exclusivity for 180 days, during which no other company is allowed to launch its product during this period
GUB	Government of Upper Bavaria
GC-MS	Gas chromatography-mass spectrometry
GDUFA	United States Generic Drug User Fee Amendment Act
GMP	Good Manufacturing Practices
GPO	Group Purchasing Organisation
GQCE	Generic Quality Consistency Evaluation
HPLC	High Performance Liquid Chromatography
HVAC	Heating, Ventilation and Air Conditioning
ICP-MS	Inductively coupled plasma mass spectrometry
INN	International Nonproprietary Name
LC-MS	Liquid chromatography-mass spectrometry
LoE	Loss of exclusivity
MAT	Moving annual total
MEIS	Merchandise Exports from India Scheme
MHRA	Medicines and Healthcare products Regulatory Agency (UK)
NCE-1	An ANDA filing by generic drug companies for entry into branded drug where approval for a drug product containing a new chemical entity is entitled to a 5-year period of USFDA filing exclusivity
NDA	New Drug Application
NDDS	New Drug Delivery Systems
NHS	National Health Service (UK)
NMPA	National Medicinal Products Administration
NPPA	National Pharmaceutical Pricing Authority
PAS	Prior Approval Supplement
PFS	Pre-filled syringes
PVC	Polyvinyl chloride
Sterilise-In-Place	Sterilization of production equipment without prior disassembly
Suitability Petition	A petition submitted under section 505(j)(2)(C) of the FFDCA and pursuant to 21 CFR 10.20, 10.30, and 314.93, that requests permission to submit an ANDA for a drug product that differs in route of administration, dosage form, strength, or one active ingredient in a combination product from that of a reference listed drug
TGA	Therapeutic Goods Administration (Australia)
USFDA	United States Food and Drug Administration

Conventional and General Terms or Abbreviations

Term	Description
₹/Rs./Rupees/INR	Indian Rupees
AIFs	Alternative Investments Funds
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
Category II FPIs	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
Category III AIF	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer

Term	Description
CIN	Corporate Identity Number
Civil Code or CPC	The Code of Civil Procedure, 1908
Companies Act	Companies Act, 1956 and Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, along with the relevant rules made thereunder
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*)
DP ID	Depository Participant Identification
DP/ Depository Participant	Depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EGM	Extraordinary General Meeting
EPS	Earnings Per Share
FC-GPR	Foreign Currency-Gross Provisional Return
FCPA	U.S. Foreign Corrupt Practices Act
FDI	Foreign direct investment
FDI Policy	Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated August 28, 2017 effective from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Non-debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
FERA	Erstwhile Foreign Exchange Regulation Act, 1978, read with rules and regulations thereunder
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI(s)	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GAAR	General Anti Avoidance Rules
Gazette	Gazette of India
"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
IFSC	Indian Financial System Code
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
India	Republic of India
IPC	Indian Penal Code, 1860
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
IT Act	The Income Tax Act, 1961
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs
Mutual Fund (s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
N/A	Not applicable
NACH	National Automated Clearing House

Term	Description
NEFT	National Electronic Funds Transfer
NPCI	National Payments Corporation of India
NRI	Individual resident outside India, who is a citizen of India
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/Overseas Corporate Body	An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer.
p.a.	Per annum
P/E	Price/earnings
P/E Ratio	Price/earnings ratio
PAN	Permanent account number
PAT	Profit after tax
PRC	People's Republic of China
R&D	Research and development
RBI	The 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 Investments Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
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
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TAN	Tax deduction account number
Total Borrowings	Non-current borrowings including current maturities of non-current borrowings
UIDAI	Unique Identification Authority of India
U.S. QIBs	"Qualified institutional buyers" as defined in Rule 144A. 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"
U.S./USA/United States	United States of America, its territories and possessions, any State of the United States, and the District of Columbia
USD/US$	United States Dollars
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations
WHO	World Health Organization
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(lll) of the SEBI ICDR Regulations

OFFER DOCUMENT SUMMARY

The following is a general summary of the terms of the Offer and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, 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", "Objects of the Offer", "Our Business", "Industry Overview", "Capital Structure", "The Offer", "Financial Statements", "Outstanding Litigation and Material Developments" ,"Offer Procedure" and "Description of Equity Shares and Terms of Articles of Association" on pages 21, 76, 119, 94, 61, 50, 186, 261, 288 and 301, respectively.

<table>
<tr><td>Summary of the primary business of the Company</td><td>We are one of the fastest growing generic injectables-focused companies by revenue in the United States from 2014 to 2019 (Source: IQVIA Report). We sell our products primarily under a business to business ("B2B") model in over 60 countries as of March 31, 2020, including the United States, Europe, Canada, Australia, India and the Rest of the world. We have a consistent compliance track record with a range of regulatory regimes across these markets. We also have an extensive track record in complex injectables development, manufacturing and marketing and a close understanding of the related sophisticated scientific, technical and regulatory processes.</td></tr>
<tr><td>Summary of the Industry</td><td>The global formulation market grew at a CAGR of approximately 5.8% from 2014 to reach US$1,096 billion in 2019, and the market is estimated to grow at a CAGR of 4.4% to reach US$1,359 billion by 2024 (Source: IQVIA Report). North America continued to form the major share of the global pharmaceutical market by value at US$531 billion in 2019, growing at approximately 6.3% from 2014 to 2019. India's market share by value has grown at the fastest rate of approximately 11.6% between 2014 and 2019 (Source: IQVIA Report).</td></tr>
<tr><td>Name of Promoters</td><td>Fosun Singapore and Shanghai Fosun Pharma</td></tr>
<tr><td>Offer size</td><td>Offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹12,500 million by our Company and an Offer for Sale of up to 34,863,635 Equity Shares aggregating up to ₹[●] million, comprising of up to 19,368,686 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder and up to 15,494,949 Equity Shares aggregating up to ₹[●] million by the Other Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.</td></tr>
<tr><td>Objects of the Offer</td><td>The objects for which the Net Proceeds from the Offer shall be utilized are as follows:
(₹ in million)
<table>
<tr><th>Particulars</th><th>Amount (₹ in million)</th></tr>
<tr><td>To fund incremental working capital requirements of the Company</td><td>7,695.00</td></tr>
<tr><td>To fund incremental capital expenditure requirements of the Company</td><td>1,680.00</td></tr>
<tr><td>General corporate purposes[(1)]</td><td>[●]</td></tr>
<tr><td>Total</td><td>[●]</td></tr>
</table>
[(1)]To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds of the Fresh Issue</td></tr>
<tr><td>Aggregate pre-Offer shareholding of our Promoters and Promoter Group, and Selling Shareholders as a percentage of our paid-up Equity Share capital</td><td>(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:
<table>
<tr><th>Name</th><th>No. of Equity Shares</th><th>Percentage of the pre-Offer Equity Share Capital (%)</th></tr>
<tr><td>Promoters</td><td></td><td></td></tr>
<tr><td>Fosun Singapore</td><td>114,662,580</td><td>74.00</td></tr>
<tr><td>Total (A)</td><td>114,662,580</td><td>74.00</td></tr>
<tr><td>Promoter Group</td><td></td><td></td></tr>
<tr><td>Fosun Industrial Co., Limited</td><td>10*</td><td>Negligible</td></tr>
<tr><td>Ample Up Limited</td><td>10*</td><td>Negligible</td></tr>
<tr><td>Regal Gesture Limited</td><td>10*</td><td>Negligible</td></tr>
<tr><td>Lustrous Star Limited</td><td>10*</td><td>Negligible</td></tr>
<tr><td>Total (B)</td><td>40</td><td>Negligible</td></tr>
<tr><td>Total (C=A+B)</td><td>114,662,620</td><td>74.00</td></tr>
</table>
*Held by such companies as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares
(b) The aggregate pre-Offer shareholding of the Other Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:
<table>
<tr><th>Name</th><th>No. of Equity Shares</th><th>Percentage of the pre-Offer Equity Share Capital (%)</th></tr>
</table></td></tr>
</table>

	Other Selling Shareholders		
	Gland Celsus	20,094,870	12.97
	Empower Trust	7,865,000	5.08
	Nilay Trust	3,749,000	2.42
	Total	**31,708,870**	**20.47**

Summary of Selected Financial Information

(a) The details of our share capital, net worth, net asset value per Equity Share and Total Borrowings as at March 31, 2020, 2019 and 2018 derived from the Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	As at March 31,		
	2020	2019	2018
(A) Equity share capital	154.95	154.95	154.95
(B) Net worth	36,462.35	28,619.99	24,103.59
(C) Net asset value per share*	235.32	184.71	155.56
(D) Total Borrowings	49.60	54.90	59.15

**Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. Net asset value per share is considered post sub-division.*

(b) The details of our total income, profit after tax and earnings per Equity Share (basic and diluted) for Fiscals 2020, 2019 and 2018 derived from Restated Financial Information are as follows:

(₹ in million, except per share data)

Particulars	For the financial year ended March 31,		
	2020	2019	2018
Total income	27,724.08	21,297.67	16,716.82
Restated profit for the year	7,728.58	4,518.56	3,210.51
Restated earnings per share*			
- Basic	49.88	29.16	20.72
- Diluted	49.88	29.16	20.72

**Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. Basic and diluted EPS are considered post sub-division.*

Auditor's qualifications which have not been given effect to in the Restated Financial Information

There are no auditor qualifications which have not been given effect to in the Restated Financial Information.

Summary table of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Promoters and Directors, as disclosed in "*Outstanding Litigation and Material Developments*" on page 261, in terms of the SEBI ICDR Regulations and the materiality policy approved by our Board pursuant to a resolution dated June 18, 2020, as of the date of this Draft Red Herring Prospectus is provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved[^]
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	1	Not quantifiable
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	7	18.50
Taxation cases	7	73.95[#]*
By our Company		
Civil cases	1	Not quantifiable
Criminal cases	Nil	Nil
Litigation involving our Directors		
Against our Directors		
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Directors		
Civil cases	Nil	Nil

	Criminal cases	Nil	Nil
	Litigation involving our Promoters		
	Against our Promoters		
	Civil cases	Nil	Nil
	Criminal cases	Nil	Nil
	Action taken by statutory and regulatory authorities	Nil	Nil
	Taxation cases	Nil	Nil
	By our Promoters		*(in US$ million)*
	Civil cases	1	40
	Criminal cases	Nil	Nil

^To the extent ascertainable

#Including a penalty of ₹0.01 million, subject to the Superintendent of Central Tax, Ameerpet Division serving the Company with an order-in-original. However, the penalty will be reduced to 25.00% of the penalty amount, subject to payment of the entire excess CENVAT credit taken along with interest as determined in the order within 30 days from the date of receipt of the order.

**Including an aggregate amount of ₹28.41 million pre-deposited by our Company with the relevant indirect tax authorities, and an amount of ₹16.76 million pre-deposited by our Company with the relevant income tax authority*.

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Risk Factors

For details of the risks applicable to us, see "*Risk Factors*" on page 21.

Summary table of contingent liabilities

The following is a summary table of our contingent liabilities as at March 31, 2020 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(₹ in million)

Particulars	As at March 31, 2020
Outstanding bank guarantees (excluding performance obligations)	14.58
Claims against the Company not acknowledged as debts	29.90
Demand for direct taxes	16.76
Demand for indirect taxes:	
Entry tax	47.01
Service tax	4.79
Value Added Tax and CST	5.30

Provident Fund

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated February 28, 2019. As a matter of caution, our Company has accordingly made the payments for the current year. Our Company will update its position, on receiving further clarity on the subject.

For further details of our contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets, see "*Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statements"* on page 234.

Summary of related party transactions

The details of related party transactions of our Company for the fiscal years ended March 31, 2020, 2019 and 2018, as per Ind AS 24 – Related Party Disclosures are set forth in the table below:

(₹ in million)

	Nature	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Enterprise over which Key Management Personnel exercise significant influence				
Gland Chemicals Private Limited	Purchase of raw material	1,183.73	670.10	782.55
	Sale of goods	0.53	7.42	85.25
Nicomac Clean Rooms Far East Private Limited	Purchase of capital goods	-	-	24.18
Moreschi Asia Doors Private Limited	Purchase of capital goods	-	-	1.16
Dhananjaya Properties LLP	Rent expense	2.36	2.60	2.02
Sasikala Properties LLP	Rent expense	0.85	0.86	1.26

	Gland Celsus Bio Chemicals Private Limited	Sale of Vehicles	-	-	0.63
	Fellow subsidiary				
	Chongqing Pharmaceutical Research Institute Co., Ltd.	Purchase of raw material	-	-	45.12
	Chongqing Pharmaceutical Research Institute (Changshou) Co., Ltd.	Purchase of raw material	-	-	30.32
		Reimbursement of expense	1.62	-	-
	Jiangsu Wanbang Biopharmaceutical Company Limited	Purchase of raw material	85.20	240.09	-
		Sale of service	-	6.10	-
		Sale of goods	3.99	-	-
		Reimbursement of expense	1.62	-	-
	Fosun Pharma USA Inc.	Sale of goods	407.92	-	-
		Sale of service	201.48	-	-
		Rates & Taxes	34.29	36.09	-
	Guilin Pharmaceutical Co., Ltd.	Sale of goods	12.18	-	-
		Sale of service	2.81	-	-
		Reimbursement of expense	1.62	-	-
	Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	Sale of service	10.43	7.18	-
	Jinzhou Aohong Pharmaceutical Co., Ltd.	Sale of service	13.34	-	-
	Chongqing Carelife Pharmaceutical Co., Ltd.	Reimbursement of expense	1.62	-	-
	Shanghai Henlius Biotech, Inc.	Reimbursement of expense	1.62	-	-
	Fosun Pharma Sp. z. o. o.	Sale of service	0.67	-	-
	Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.	Sale of goods	1.94	-	-
	Key Management Personnel^				
	P.V.N. Raju	Remuneration	-	3.73	6.06
		Rent expense	-	0.02	0.20
	Ravindranath Penmetsa	Remuneration	2.49	99.79	78.13
		Employee separation compensation	-	200.00	-
	K. Jhansi Lakshmi	Remuneration	-	-	3.22
		Rent expense	-	-	0.68
	B. Narasimha Rao	Remuneration	-	-	5.19
	Srinivas Sadu	Remuneration	33.22	22.41	12.21
		Employee stock option compensation expense	25.55	-	-
	Ravi Shekhar Mitra	Remuneration	5.74	-	-
	D. S. Brar	Sitting fee	-	-	0.02
		Sitting fee	0.70	0.10	-

	Satyanarayana Murthy Chavali	Commission	1.51	-	-
	Moheb Ali Mohammed	Sitting fee	0.60	0.30	0.12
		Commission	1.51	-	-
	Yiu Kwan Stanley Lau	Sitting fee	0.50	-	-
		Commission	4.54	-	-
	Udo Johannes Vetter	Sitting fee	0.20	-	-
	Sampath Kumar Pallerlamudi	Remuneration	3.46	2.84	2.54
		Employee stock option compensation expense	1.70	-	-
	Relatives of Key Management Personnel^				
	P. Suryakantham	Rent expense	-	0.02	0.20
	K. Jhansi Lakshmi	Rent expense	0.84	0.86	0.68
	K. Praveen Kumar	Rent expense	-	-	0.09
	Nakul Penmetsa	Remuneration	-	-	1.75

^As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel and their relatives is not ascertainable and therefore, not included above.

For details of the related party transactions, see "*Other Financial Information – Related Party Transactions*" on page 239.

Details of all financing arrangements whereby the Promoters, members of the Promoter Group, the directors of our Promoters, our Directors and their relatives have financed the purchase by any other person of securities of the Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus

Our Promoters, members of our Promoter Group, the directors of our Promoters, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders, in the last one year

Our Promoters and Selling Shareholders have not acquired any specified securities in the one year preceding the date of this Draft Red Herring Prospectus.

Average cost of acquisition of shares of our Promoters and the Other Selling Shareholders

The average cost of acquisition of Equity Shares held by our Promoter, Fosun Singapore, which is the Promoter Selling Shareholder is as follows:

Name of the Promoter	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
Fosun Singapore	114,662,620*	605.12

**Including 10 Equity Shares each, which are held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Ltd., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares*

Our Promoter, Shanghai Fosun Pharma does not directly hold any Equity Shares in our Company.

The average cost of acquisition of Equity Shares held by the Other Selling Shareholders is as follows:

Name of the Other Selling Shareholders	Number of Equity Shares	Average cost of acquisition per Equity Share (in ₹)
Gland Celsus	20,094,870	30.12
Empower Trust	7,865,000	Nil
Nilay Trust	3,749,000	Nil

Size of the pre-IPO placement and allottees, upon completion of the placement	Not applicable
Any issuance of Equity Shares in the last one year for consideration other than cash	Our Company has not issued any Equity Shares in the last one year from the date of this Draft Red Herring Prospectus, for consideration other than cash.
Any split/consolidation of Equity Shares in the last one year	Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each.

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 all references to the "US", "U.S." "USA" or "United States" are to the United States of America and its territories and possessions.

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

Financial Data

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from our restated summary statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the restated statements of profit and loss (including other comprehensive income), cash flow statement and changes in equity for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 of the Company together with the summary statement of significant accounting policies, and other explanatory information thereon, derived from the audited financial statements as at and for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 prepared in accordance with the Ind AS, and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI. For further information, see "*Financial Statements*" beginning on page 186.

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 and all percentage figures have been rounded off to two decimal places.

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

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 21, 119 and 240, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from our Restated Financial Information.

Certain non-GAAP financial measures relating to our financial performance such as, EBITDA, net debt/(net cash), return on net worth, working capital, return on capital employed, net worth, net asset value per share and debt equity ratio have been included in this Draft Red Herring Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. 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 may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to:

- "AUD" are to Australian dollar, the official currency of Australia;
- "EUR" or "€" are to Euro, the official currency of the European Union;
- "CHF" are to Swiss franc, the official currency of Switzerland;
- "GBP" or "£" are to British pound, the official currency of the United Kingdom;
- "HKD" or "HK$" are to Hong Kong dollar, the official currency of Hong Kong;
- "JPY" are to Japanese yen, the official currency of Japan;
- "RMB" or "¥" are to Renminbi, the official currency of the People's Republic of China;
- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India;
- "SGD" are to Singapore dollar, the official currency of the Republic of Singapore;
- "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America; and
- "Złoty" or "zł" are to Polish złoty, the official currency of Poland

Our Company has presented certain numerical information in this Draft Red Herring Prospectus in "lakh", "million" and "crores" units or in whole numbers where the numbers have been too small to represent in such units. One million represents

1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points 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:

(In ₹)

Currency	As at					
	March 31, 2020	December 31, 2019	March 29, 2019*	December 31, 2018	March 28, 2018**	December 29***, 2017
1 AUD	46.28	50.15	49.18	49.04	50.04	49.88
1 CHF	78.32	73.66	69.52	70.78	68.31	65.51
1 EUR	83.05	79.88	77.70	79.78	80.62	76.38
1 GBP	93.08	93.48	90.48	88.55	92.28	86.06
1 HKD	9.72	9.15	8.82	8.88	8.30	8.17
100 JPY/YEN	69.65	65.59	62.52	63.21	61.54	56.72
1 RMB	10.65	10.24	10.32	10.12	10.34	9.80
1 SGD	53.01	53.02	51.13	51.09	49.76	47.76
1 USD	75.39	71.27	69.17	69.79	65.04	63.92
1 Złoty	18.25	18.81	18.06	18.57	19.14	18.37

Source: https://fbil.org.in/, https://www.rbi.org.in/, https://www.x-rates.com/

**Exchange rate as on March 29, 2019 considered as exchange rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday*

***Exchange rate as on March 28, 2018 considered as exchange rate is not available March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.*

**** Exchange rate as on December 29, 2017 considered as exchange rate is not available for December 30, 2017 being Saturday and December 31, 2017 being a Sunday*

Industry and Market Data

Unless otherwise indicated, industry and market data used throughout this Draft Red Herring Prospectus has been obtained or derived from the report titled 'Global Injectable Industry Overview' dated July 8, 2020 by IQVIA which has been commissioned by our Company. IQVIA is in the business of providing consultancy and information services such as advanced analytics, technology solutions and market research services to the healthcare industry. For risks in this regard, see "*Risk Factors – We have relied on a third party industry report which has been used for industry related data in this Draft Red Herring Prospectus and such data has not been independently verified by us."* on page 40.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources. 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 their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation.

Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 21.

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" on page 86 includes information relating to our listed peer group companies. Such information has been derived from publicly available sources, and neither we, nor the BRLMs or any of their affiliates have independently verified such information. Accordingly, no investment decision should be made solely on the basis of such information.

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 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", "believe", "expect", "estimate", "intend", "likely to", "seek to", "shall", "objective", "plan", "project", "will", "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 pharmaceutical industry 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 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 laws, regulations and taxes and changes in competition in the pharmaceutical industry. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- changes in regulations to which we are subject or failure or delay in obtaining necessary permits, approvals, licenses or registrations;
- failure by us or our marketing partners and customers to perform obligations under our business arrangements or deterioration of our relationship with such partners and customers;
- interruption or failure to produce or procure APIs;
- loss of customers or reduction in purchases from customers in key markets such as the United States, Europe, Canada and Australia;
- decline in sale volumes or price of key formulations in the injectables category; and
- impact of the COVID-19 pandemic or any future pandemic or widespread public health emergency on our business, financial condition and results of operations

Certain information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations* on pages 94, 119 and 240, respectively, of this Draft Red Herring Prospectus have been obtained from the report titled 'Global Injectable Industry Overview' dated July 8, 2020 by IQVIA, which has been commissioned by our Company.

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 Condition and Results of Operations*" on pages 21, 119 and 240, 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 as of 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. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Promoters, our Directors, the BRLMs 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 investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, each of the Selling Shareholders shall, severally and not jointly, ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus in relation to the statements and undertakings specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer.

SECTION II: RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 119, 94 and 240, respectively of, as well as the financial and other information contained in, this Draft Red Herring Prospectus.

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. This Draft Red Herring Prospectus also contains 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 certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 20.

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications and other publicly available information, including, in particular, the report Global Injectable Industry Overview dated July 8, 2020 (the "**IQVIA Report**") prepared and issued by IQVIA Consulting and Information Services India Private Limited commissioned by us. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IQVIA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2018, 2019 and 2020, included in this Draft Red Herring Prospectus.

Internal Risks

1. ***Our industry is heavily regulated and our business activities require various approvals, licenses, registrations and permissions. If there is any change to such regulations or failure or delay in obtaining necessary permits or approvals, or if such permits or approvals are revoked or not renewed for any reason, our business, financial condition, cash flows and results of operations may be adversely affected.***

   The development, testing, manufacturing, marketing and sale of pharmaceutical products are subject to extensive regulation in India and other countries. Our products, as well as the facilities where we manufacture them, require extensive testing, government reviews and approvals before they can be marketed. To conduct our business, we need product registrations and other approvals granted by authorities in India, the United States, the United Kingdom and various other foreign governmental authorities and health regulatory bodies. The cost of acquiring such authorisations and approvals is substantial. Governmental authorities in India, the United States, the United Kingdom, Australia, Brazil, Germany and other countries to which we supply our products, impose different rules and regulations on research, development, manufacture, and testing to ensure the safety of pharmaceutical products. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Whether or not a product is approved in India, regulatory authorities in many of the markets to which we export products must approve that product before we can begin to supply it to those countries. Any failure or delay in obtaining regulatory approvals, or any implementation of new standards or conditions that have to be met in order to obtain such approvals, could impact the supply and marketing of our products and, in turn, affect our financial condition, cash flows and results of operations. Failure by us to comply with the regulatory requirements of one country may automatically trigger non-compliance with the regulatory requirements of another country. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations. Failure to maintain compliance with regulatory requirements may also result in administrative actions, such as fines, warning letters, refusal to approve pending applications (including ANDA filings), product seizures, refusal to permit the import of products into the destination country, or restrictions on marketing or manufacturing. For risks associated with failure to renew, maintain or obtain permits or approvals required to operate our manufacturing facilities and sale of products in India, see "*We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, financial condition, cash flows and results of operations*" on page 29.

There may be uncertainty relating to pricing and other regulations which vary widely from country to country. The regulations applicable to our existing and future products may also change. Any change in the regulations, enforcement procedures or regulatory policies set by the USFDA, including under the Federal Food, Drug, and Cosmetic Act ("**FFDCA**"), MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria), BGV Hamburg (Germany), CDSCO (India) and other regulatory agencies could increase the costs or time of development of our products and delay or prevent sales of our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted, may have on our business in the future.

2. ***Our success is dependent on our business arrangements with our marketing partners and customers for the sale of our products. If any of these arrangements is terminated for any reason, or if our marketing partners fail to fulfil their obligations under the relevant agreements or otherwise do not effectively sell or market our products, or if our relationships with any of our marketing partners and customers are disrupted, our business, financial condition, cash flows and results of operations may be adversely affected.***

As of March 31, 2020, our products were sold in over 60 countries, including the United States, Europe, Canada, Australia, India and the Rest of the world. Our primary business model in the Indian market is B2C, where our products are primarily marketed and sold to end customers such as hospitals, nursing homes and government facilities. We also have B2B presence in India where we supply products to pharmaceutical companies. In markets such as the United States, Europe, Canada and Australia as well as the Rest of the world such as Brazil, Africa and China, our primary business model is B2B, covering IP-led, technology transfer and contract manufacturing models. For further details of our business models, please refer to the section titled "*Our Business – Business Models and Customers*" on page 132.

In relation to our B2B business model, our success in many markets depends on our B2B marketing partners, in particular their sales expertise and relationships with their end customers. Under our B2B IP-led model, we enter into long-term development, licensing, manufacturing and supply agreements with our marketing partners. We typically receive licensing fee together with milestone payments tied to completion of specific stages in the product development. Upon commercialisation of the product, we receive the selling price per unit dose of the product and may additionally receive a profit share or royalties based on the net profit or net sales of the product, depending on the relevant terms of the agreements. Under our B2B technology transfer model, the product is partially developed by our partner and the technology required for the manufacture, testing and packaging of such product is subsequently transferred to us. We generally receive a technology transfer fee and may also receive royalties representing a percentage of the net sales revenue or profit after the commercialisation of the product.

Accordingly, the performance of our marketing partners and their ability to reach out to treatment providers and promote our products are crucial to the future growth of our business. Our marketing partners may not continue to be successful in marketing and promoting our products. They may terminate their relationships with us, or may fail to commit the necessary resources to purchase and market our products to the level of our expectations. Our customers also can terminate their agreement with us for a particular product if the market authorisation cannot be obtained by such customer due to a technical deficiency or a breach of other obligations attributed to the dossier owned by the Company. Our reliance on our marketing partners may also make it more difficult for us to accurately forecast the results of our operations.

Our dependence on partnerships with our B2B marketing partners to market some of our products may subject us to a number of risks, including:

- not being able to control the amount and timing of resources that these partners may devote to the marketing of our products; and

- significant changes in their business strategy that may adversely affect their willingness or ability to fulfil its obligations under any arrangement.

Additionally, the B2B marketing partners we work with may make important marketing and other commercial decisions concerning our products without our input. As a result of these arrangements, some of the variables that may affect our business are not exclusively within our control. Further, our arrangements with these partners may be terminated upon breach of contractual obligation. We may not be able to renegotiate these contract arrangements on reasonable terms or find suitable alternatives in the future. In addition, if we fail to maintain our relationships with these marketing partners, or they decide to increase their in-house development or production capabilities, licensing of and marketing for our products and pipeline could be adversely affected, demand for our products could decrease and our business could be materially and adversely affected. As a result, our reliance on, and inability to control these B2B marketing partners on whom we rely for the sale and marketing of our products could adversely affect our business, financial condition, cash flows and results of operations.

In our domestic market, we primarily adopt a B2C business model where we engage in direct marketing, complemented by a B2B CMO model where we provide comprehensive fill and finish services for injectables to other pharmaceutical

companies for already approved products. A deterioration of our relationship with these customers may have an adverse effect on our business, financial condition, cash flows and results of operations.

3. ***If our API production is interrupted or we fail to produce or procure high-quality API in the quantities we require in a cost-effective manner, sales of our products could be delayed or interrupted.***

Our supply chain efficiencies are backed by our API production capacity, which ensures a secure supply of critical production inputs for our key products. The manufacture of APIs is complex, and we may experience problems during the manufacture of APIs for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, lack of technical know-how, natural disaster related events or other environmental factors. If our vendors fail to provide the raw materials or technical know-how required for APIs for any reason, or supply to our competitors, our manufacture of APIs could be disrupted, which in turn may delay or interrupt the production of the injectables. The majority of our suppliers of raw materials are based in China, and we have faced disruptions in the supply of raw materials from such suppliers as a result of the novel coronavirus ("**COVID-19**") outbreak; for further discussion on the impact of COVID-19, please see "*Risk Factors—The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations*" on page 25. We may also face supply disruptions in the future arising from India-China political relations which are evolving in the wake of the June 2020 border confrontation between the two countries. There can be no assurance that we will not experience further disruptions as a result of COVID-19 or India-China relations. Similarly, if any approval or license for our APIs production facilities is suspended, the production and supply of APIs and the injectable pharmaceutical products could be adversely affected. We also procure APIs that are not manufactured in-house by us externally from our vendors. If, for any reason, we are unable to produce sufficient quantities of APIs ourselves or procure them from our vendors on a timely basis, the manufacture or supply of our products or exhibit batches could be disrupted, which may decrease our sales revenue or otherwise negatively impact our operations. Additionally, if we are unable to continue to produce APIs in a relatively cost-effective manner for reasons such as increases in the material input costs and labour costs, the increased production cost may erode some of our competitive advantage, increase our operating expenses and reduce our profit margins.

In addition, the manufacture of certain APIs that we require for our products require dedicated facilities. We have a total of three API facilities that deliver us with in-house manufacturing capabilities for critical APIs. If problems arise during the production, storage or distribution of APIs, that batch of APIs may have to be discarded. If we are unable to produce the high quantities of APIs we require or find alternative sources of APIs in a timely manner or on commercially acceptable terms, this could, among other things, lead to increased costs, lost sales and damage to customer relations. Problems with respect to the manufacture, storage or distribution of our products could materially disrupt our business and reduce our revenues and prevent or delay us from achieving profitability.

4. ***Any manufacturing or quality control problems may disrupt our business operations, damage our reputation for high quality production and expose us to potential litigation or other liabilities, which would negatively impact our business, prospects, cash flows, results of operations and financial condition.***

Pharmaceutical manufacturers are subject to significant regulatory scrutiny in most jurisdictions. We are required to register our manufacturing facilities with regulatory authorities and our products must be made, packaged, labelled and stored in a manner consistent with cGMP stipulated by the USFDA, including under the FFDCA or similar standards in each country in, or for, which we manufacture. For our approved products, modifications, enhancements, or changes in manufacturing processes and sites may require supplemental approval from the USFDA or other governmental authorities, which may be subject to a lengthy application process or which we may be unable to obtain.

In addition, regulatory authorities and other agencies may conduct scheduled or unscheduled periodic inspections of our manufacturing facilities to monitor our regulatory compliance. For instance, in the past, regulators such as the USFDA, ANVISA and MHRA have observed deficiencies in our equipment qualification and maintenance, pharmaceutical quality systems, computer systems, control measures for the prevention of contamination of equipment and components, organisational measures, non-compliances in relation to audits for the approval and maintenance of APIs and maintenance of records for traceability of medicines. Following an inspection, an agency may issue a notice listing conditions that are believed to violate current good manufacturing practices or other regulations, or a warning letter for violations of regulatory significance that may result in enforcement action if not promptly and adequately cured. If any regulatory body were to require one of our facilities to cease or limit production, our business could be adversely affected. Compliance with production and quality control regulations requires substantial expenditure of resources. Failure to comply with cGMP or with other similar requirements may result in unanticipated compliance expenditures, total or partial suspension of production or distribution which could disrupt our business operations, disqualification of data derived from studies on our products and/or enforcement actions such as recall or seizure of products, civil penalties and criminal prosecutions of the company and company officials in certain countries in which we operate.

In addition to regulatory requirements, under our contracts with customers, they have the right to inspect and audit our facilities, processes and practices after reasonable notice and at a reasonable time to ensure that our services adhere to their internal standards and the regulatory standards they must meet in the drug development and manufacturing process. Most of our customers routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices and/or our customers deem the quality of our facilities unsatisfactory in any manner, our reputation could be harmed and our customers may terminate and/or refuse to renew their contracts with us.

We are also required to meet various quality standards and specifications for our customers under our supply contracts and quality agreements entered into with our customers, including adhering to various good manufacturing practices in the international industry and conditions imposed under statutory or regulatory approvals as well as quality certifications. We have a close focus on quality standards and are supported by a quality assurance and quality control team of 1,181 full-time employees as of March 31, 2020, representing approximately 31.15% of our total employees. Typically, disputes in connection with alleged non-conformity of our products with such quality standards and/or specifications are referred to independent testing laboratories, whose decision in that respect is typically deemed final. If any independent laboratory confirms that our products do not conform to the prescribed and/or agreed standards and/or specifications, we may have to bear the expenses of replacing such products free of charge, along with the expenses incurred with testing such products as well as any market complaint arising from quality issues relating to our products, which would adversely affect our business, cash flows, results of operations and financial condition. Furthermore, under our quality agreements with customers, they have a specified time period to report defects, following which we are required to replace the product within an agreed timeline. Failure to do so subjects us to monetary penalty. We also face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits and product recalls. Such adverse publicity could harm our ability to maintain the brand image of our products.

5. ***Our business is dependent on the sale of our products to our key customers and in key markets, particularly the United States, Europe, Canada and Australia. The loss of such customers or a significant reduction in purchases by such customers in these markets could materially adversely affect our business, cash flows, results of operations and financial condition.***

We are dependent on our key customers having presence in the generic injectables industry in which we operate. Our top five customers accounted for 49.92%, 47.86% and 48.86%, respectively, of our total revenue from operations in Fiscals 2018, 2019 and 2020. In addition, the following table sets forth our revenue from operations based on the location of our customers as a percentage of our total revenue from operations for the years specified, as per Ind AS 108 – Operating Segments:

	Fiscal 2018	Fiscal 2019	Fiscal 2020
United States	71.25%	62.50%	66.74%
India	18.49%	18.97%	17.74%
Europe	3.39%	5.38%	4.44%
Canada	1.08%	1.12%	1.78%
Australia	0.69%	0.44%	0.50%
Rest of the world	5.10%	11.59%	8.80%

As we are dependent on our key customers for a significant portion of our sales as well as the sale of our products in the United States, Europe, Canada and Australia, the loss of such customers and such markets may materially affect our business, cash flows and results of operations. Further, the volume of sales to our customers may vary due to our customers' attempts to manage their inventory, market demand, product and supply pricing trends and customer preferences, among others, which may result in a decrease in demand or lack of commercial success of products of which we are a major supplier, which could reduce our sales and materially adversely affect our business, cash flows, results of operations and financial condition.

6. ***A significant portion of our income is dependent on sales of our key injectable formulations. If the sales volume or pricing of such products declines in the future, or if we can no longer sell any of the key compounds for any reason, our business, financial condition, cash flows and results of operations could be materially adversely affected.***

A significant portion of our yearly income is dependent on sales of our key injectables formulations for that year. Our key injectables formulations vary from year to year as a result of market demand and opportunities. As a result of increased competition, pricing pressures or fluctuation in the demand or supply of these products or products in the injectables category generally, our sales and margins from these products may decline in the future. If the sales volume or pricing of such products declines in the future, our business, financial condition, cash flows and results of operations could be materially adversely affected.

Furthermore, our key injectables formulations could be rendered obsolete or negatively impacted by numerous factors, many of which are beyond our control, including development by others of new pharmaceutical products that are more effective than ours and changes in the prescribing practices of physicians and manufacturing or supply interruptions.

The manufacturing process of our products is highly complex, and we may experience problems during manufacturing for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, manufacturing quality concerns, problems with raw materials, natural disaster related events or other environmental factors. If we experience any of the abovementioned problems and are unable to sell any of these compounds in the future, our business, financial condition, cash flows and results of operations could be materially adversely affected.

7. ***We are susceptible to product liability claims and associated risks of litigation that could expose us to material liabilities, loss in revenues and increased expenses and thus may have a material adverse effect on our business and financial condition. Failure to obtain product liability insurance may result in us being compelled to pay substantial sums.***

Our business exposes us to claims for injuries allegedly resulting from the use of our products. We may be held liable for, or incur costs related to, liability claims if any of our products causes injury or is found unsuitable during development, manufacture, sale or use. These risks exist even with respect to products that have received, or may in the future receive, regulatory approval for commercial use. For example, our products may have expired or cause side effects to consumers or lack adequate efficacy. In the event our products cause or are perceived to cause severe side effects, the sales of such products may decrease, which may have an adverse effect on our revenues and profitability. We have experienced 14 cases of product recalls in the last ten years, including as a result of drug impurity, adverse side effects to customers and physical dimensional incompatibility with syringe devices. Moreover, since many of our products are directly injected into the blood-stream of the person, the consequences of expired or faulty pharmaceutical products are significantly more harmful for human health. In foreign jurisdictions, such as the United States, in which we intend to expand further for future sale and distribution of our products, precedents show that the quantum of damages, especially punitive, awarded in cases of product liability is extremely high. Deterioration in our quality controls could also result in product liability claims against us.

Actual or claimed defects in our manufacturing facilities and/or product quality could give rise to claims, liabilities, costs and expenses, relating to loss of life, personal injury, damage to property, damage to equipment and facilities, inefficient operating processes, loss of production or suspension of operations. If a supplier fails to meet quality standards, it could also expose us to the risk of product liability claims. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities. The consequential liabilities and costs could have a material adverse effect on our business, financial condition, cash flows and results of operations. Moreover, even unsuccessful product liability claims would likely require us to spend money on litigation, divert management's time, damage our reputation and impair the marketability of our products.

We are required to maintain recall insurance under our customer contracts. However, our recall insurance as well as product liability insurance may not be adequate and insurance coverage may not be available on commercially reasonable terms or at all. A product recall or product liability claim could result in liability to us greater than our insurance coverage or assets. Even if we have adequate insurance coverage, product recall or product liability claims or recalls could result in negative publicity or force us to devote significant time and attention to those matters.

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

Since first being reported in December 2019, the outbreak of COVID-19 has spread globally. The World Health Organization declared the outbreak of COVID-19 to be a public health emergency of international concern on January 30, 2020, and a global pandemic on March 11, 2020.

The COVID-19 pandemic has had, and any future pandemic or widespread public health emergency could have, repercussions across regional and global economies and financial markets. The outbreak of COVID-19 in many countries, including India and the United States, has significantly and adversely impacted economic activity and has contributed to significant volatility and negative pressure in financial markets, and it is possible that the outbreak of COVID-19 will cause a prolonged global economic crisis, recession or depression, despite monetary and fiscal interventions by governments and central banks globally.

The global impact of the outbreak has been rapidly evolving. As cases of COVID-19 have continued to be identified in additional countries, many jurisdictions, including the governments of India, the United States and the other markets in which we conduct business, have reacted by instituting restrictive measures including invoking lock downs and quarantines, requiring the closure of non-essential businesses and placing restrictions on the types of businesses that may continue to operate, mandating restrictions on travel, implementing "shelter-in-place" rules and "stay-at-home" orders, and enforcing remote working regulations. No prediction can be made of when any of the restrictions currently in place will be relaxed or expire, or whether or when further restrictions will be announced. Although some governments are beginning to ease or lift these restrictions, the impacts from the severe disruptions caused by the effective shutdown of large segments of the global economy remain unknown.

On March 24, 2020, the Government of India ordered a national lockdown in response to the spread of COVID-19. Our business was determined to be operating in an essential industry, which allowed us to continue our operations subsequent to the introduction of the lockdown in India, subject to certain adjustments in working patterns.

There can be no assurance that there will not be any material impact on our operations if the outbreak of COVID-19 is not effectively controlled. Although some restrictions have been eased, it is not yet clear when the lockdown conditions will be fully lifted in India. Further, although we were declared an essential business and were able to adjust our business to continue operating during the lockdown, there can be no assurance that further restrictions will not be introduced or that we will continue to retain such essential status. Further, we may be required to quarantine employees that are suspected of being infected of COVID-19, as well as others that have come into contact with those employees or shut down our manufacturing facilities, which could have an adverse effect on our business operations. If any of our suppliers are affected by COVID-19 to the extent our supply chain is disrupted, this may affect our ability to meet the demand of our customers. For instance, we have experienced some disruptions in the supply of raw materials from our suppliers in China as well as an increase in transport costs as a result of the COVID-19 outbreak.

The full extent to which the COVID-19 pandemic, or any future pandemic or widespread public health emergency impacts our business, operations and financial results will depend on numerous evolving factors that we may not be able to accurately predict, including: the scope, severity, and duration of the pandemic; actions taken by governments, business and individuals in response to the pandemic; the effect on customer demand for and ability to pay for our products; the impact on our capital expenditure and drug development projects; disruptions or restrictions on our employees' and suppliers' ability to work and travel; volatility in foreign exchange rates; any extended period of remote work arrangements; and strain on our or our customers' business continuity plans, and resultant operational risk.

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

9. ***We may not be able to sustain effective implementation of our business and growth strategy, which may adversely affect our business, cash flows and results of operations.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. As part of our growth strategy, we aim to, among other things, expand our product portfolio and delivery systems to drive revenue growth; continue to invest in manufacturing and related technological capabilities to meet future demand; increase current market presence and enter new markets; align with Shanghai Fosun Pharma to increase market share; pursue strategic acquisitions and partnerships; and continue to focus on cost management. For further details, please refer to the section titled "*Our Business – Our Strategies*" on page 123.

In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. As our product portfolio and product pipeline grow, we may require additional personnel on our project management, in-house quality assurance and R&D teams to work with our partners on quality assurance, regulatory affairs and product development. As a result, our operating expenses and capital requirements may increase significantly. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. We may also be exposed to certain other risks, including difficulties arising from operating a larger and more complex organisation; the failure to (i) efficiently and optimally allocate management, technology and other resources across our organisation, (ii) compete effectively with competitors and (iii) increase our production capacity; the inability to control our costs; and unforeseen legal, regulatory, property, labour or other issues.

For instance, as we continue our growth by expanding our manufacturing facilities and introducing new products, the construction of new manufacturing facilities and the expansion of existing manufacturing facilities are capital intensive, require significant time and are subject to certain risks that could result in delays or cost overruns, which could require us to expend additional capital and adversely affect our business and operating results. Such potential events include shortages and late delivery of building materials and facility equipment; delays in the delivery, installation, commissioning and qualification of our manufacturing equipment; seasonal factors, such as a long and intensive wet season that limits construction; labour disputes; design or construction changes with respect to building spaces or equipment layout; delays or failure in securing the necessary governmental approvals, building sites or land use rights; and technological capacity and other changes to our plans for new manufacturing facilities necessitated by changes in market conditions. Delays in the construction or expansion of any of our manufacturing facilities could result in a loss or delayed receipt of earnings and an increase in financing costs which would adversely affect our business, cash flows and results of operations.

There can be no assurance that our growth strategy will be successfully implemented or completed or that if completed, they will result in the anticipated growth in our revenues or improvement in our results of operations. We also cannot assure you that we will be able to continue to expand further, or at the same rate. Our ability to invest in overseas or

Indian companies may be constrained by Indian and foreign laws. Further, we expect our growth strategy to place significant demands on our management, financial and other resources and require us to continue developing and improving our operational, financial and other internal controls. We cannot assure you that our existing or future management, operational and financial systems, procedures and controls will be adequate to support future operations or establish or develop business relationships beneficial to future operations. Failure to manage growth effectively may have an adverse effect on our business, cash flows, results of operations and prospects.

10. ***Our business subjects us to risks in multiple countries that could materially adversely affect our business, cash flows, results of operations and prospects.***

We operate in the United States, Europe, Canada, Australia, India and the Rest of the world. As a result of our existing and expanding international operations, we are subject to risks inherent to establishing and conducting operations on an international scale, including:

- cost structures and language factors associated with managing and coordinating our international operations;
- compliance with a wide range of regulatory requirements, foreign laws, including immigration, labour and tax laws;
- ability to obtain the necessary approval from Indian authorities, the USFDA and other foreign regulatory authorities, as applicable, for the products which we intend to sell;
- difficulty in managing foreign operations;
- potential difficulties with respect to protection of our intellectual property rights in some countries which may result in infringement by others of our intellectual property rights;
- social, economic, political, geopolitical conditions and adverse weather conditions, such as natural disasters, civil disturbance, terrorist attacks, war or other military action;
- outbreaks of diseases, such as COVID-19, resulting in a widespread health crisis; and
- fluctuation in the exchange rate.

The growth in size or scope of our business, expansion of our footprint in existing regions in which we operate and entry into new markets also will expose us to regulatory regimes with which we have no prior direct experience and expansion into new product areas could lead to our becoming subject to additional or different laws and regulations. If any of these risks materialise, it could have a material adverse effect on our business, cash flows, results of operations and prospects.

11. ***Our profitability, cash flows and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, shortfall in the supply of raw materials as well as interruption in the supply of machinery and equipment required for our manufacturing facilities.***

The costs of raw materials, fuel, labour and other inputs constitute a significant part of our total expenses. In Fiscals 2018, 2019 and 2020, our cost of materials consumed amounted to ₹7,182.98 million, ₹9,548.91 million and ₹10,902.54 million, respectively. Our manufacturing operations require various raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials, such as glass ampoules, vials, glass bottles, PVC and non-PVC bags or films, rubber stoppers, and secondary packaging materials. Energy costs for operating our manufacturing facilities and other equipment also constitute a significant part of our operating expenses. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. In addition, we may not be able to pass on all such cost increases to our customers. Although we seek to enter into negotiations with our customers to increase the sale prices of our products to account for increases in such costs, there can be no assurance that we will be successful in such negotiations or that any agreed price increase will fully cover the increase in such costs. Our inability to adequately adjust our customer pricing in response to increases in prices of raw materials, fuel costs, labour or other inputs in a timely manner, or at all, could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition.

Timely and cost-effective execution of our contracts is dependent on the adequate and timely supply of key raw materials. We generally make our purchases with suppliers through purchase orders. As a result, we have experienced and may in the future experience inventory shortages or price increases for certain products. We may not be able to renegotiate our pricing or delivery terms on a reasonable basis or find suitable alternative suppliers in the future, which may affect our business, financial condition, cash flows and results of operations. Any significant disruption in the

supply of raw materials could adversely affect our ability to timely meet market demand for our products and lead to interruption in our business operations.

Further, we rely on a number of international suppliers to provide machinery and equipment for our manufacturing facilities to us which subjects us to risks, including:

- we are not a major customer of many of our suppliers, and these suppliers may prioritise other customers over us;
- our suppliers, especially new suppliers, may make errors in manufacturing components that could negatively affect the efficacy or safety of our products, or cause delays in shipment;
- we may have difficulty in locating appropriate alternative suppliers;
- our suppliers may encounter financial hardships unrelated to our demand for components, which could impede their ability to fulfil our orders and meet our requirements.

Any interruption in the supply of our machinery and equipment, or our inability to obtain substitute machinery and equipment meeting our quality standards from alternative sources at acceptable prices in a timely manner, could impair our ability to manufacture products to meet the demands of our customers, which could have a material adverse effect on our business, cash flows and results of operations.

12. ***If we do not successfully develop new products or continue our product portfolio expansion in a timely and cost-effective manner, our business, financial condition, cash flows and results of operations may be adversely affected.***

Our future results of operations depend, to a significant degree, on our ability to successfully develop new products and continue our product portfolio expansion in a timely and cost-effective manner. We have established a portfolio of injectable products developed independently by us across various therapeutic areas. The development and commercialisation of new products are complex, time-consuming, costly and involves a high degree of business risk. In Fiscals 2018, 2019 and 2020, our research and development expenses were ₹614.85 million, ₹965.81 million and ₹921.87 million, constituting 5.25%, 6.69% and 5.18% of our total expenses for the relevant periods, respectively. We may encounter unexpected delays in the launch of these products or these products, if and when fully commercialised by our marketing partners, may not perform as we expect.

The success of our new product offerings will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of new products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. Our planned investments in new manufacturing facilities and equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. Furthermore, the development and commercialisation of new products is subject to inherent risks, including the possibility that any new product may:

- fail to receive or encounter unexpected delays in obtaining necessary regulatory approvals;
- be difficult or impossible to manufacture on a large scale;
- be uneconomical to market;
- fail to be developed prior to the successful marketing of similar or superior products by third parties; and
- infringe on the proprietary rights of third parties.

13. ***Our manufacturing facilities are located in the southern Indian states of Andhra Pradesh and Telangana. Any delay in production at, or shutdown of, any of these facilities may adversely affect our business, cash flows, results of operations and financial condition.***

As of March 31, 2020, our manufacturing activities were conducted at seven manufacturing facilities in the southern Indian states of Andhra Pradesh and Telangana, and any significant social, political or economic disruption or natural calamities or civil disruptions or changes in the policies of these states or local governments could require us to incur significant capital expenditure and change our business strategy. If we experience delays in production or shutdowns at any or all of these facilities due to any reason, including political instability, disruptions caused by natural disasters, epidemics or disputes with the workforce, our ability to manufacture our products may be significantly affected, which in turn would have a material adverse effect on our business, financial condition, cash flows and results of operations.

In addition, we depend on domestic and international vendors to supply necessary raw materials and equipment that we require for our manufacturing facilities. We cannot assure you that we will be able to continue to obtain raw materials and equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour their commitments. Our inability to continue to obtain raw material and equipment and raw materials, in a timely manner, 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, cash flows, results of operations and financial condition. For further details, see "*Risk Factors – Our profitability, cash flows and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, shortfall in the supply of raw materials as well as interruption in the supply of machinery and equipment required for our manufacturing facilities*" on page 27.

Further, if any regulatory body were to require one of our manufacturing facilities to cease or limit production, our business could be adversely affected. Since regulatory approval to manufacture a drug is site-specific, the delay and cost of obtaining approval to manufacture at a different facility also could adversely affect our business, cash flows, results of operations and financial condition. Any material disruption at our manufacturing facilities, including but not limited to power failure, fire, strikes, lock-outs and unexpected mechanical failure of equipment, could reduce our ability to meet the conditions of our contracts and earnings for the affected period, which could in turn affect our business, cash flows, results of operations and financial condition.

While we have not experienced any material disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, 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, cash flows, results of operations and financial condition.

14. ***We require certain approvals and licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner may adversely affect our business, financial condition, cash flows and results of operations.***

We are required to obtain and maintain a number of statutory and regulatory licenses, permits and approvals for carrying out our business and for each of our manufacturing facilities under various central, state and local governmental rules and regulations in India. A majority of these approvals are granted for a limited duration and require renewal. For further details, please refer to the section titled "*Government and Other Approvals*" on page 267. We cannot assure you that the renewals to such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be materially adversely affected.

Further, the licenses, permits and approvals required by us are subject to several conditions and we cannot assure you that we will be able to continuously meet such conditions, which may lead to cancellation, revocation or suspension of the relevant licenses, permits and approvals. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased compliance costs, be subject to penalties, have our licenses, approvals and permits revoked or suffer a disruption in our operations, any of which may materially adversely affect our business, cash flows and results of operations.

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

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals and other authorities. The details of such outstanding litigation involving our Company and one of our Promoters, Shanghai Fosun Pharma, are provided below:

(in ₹ million, unless otherwise specified)

Nature of cases	No. of cases	Total amount involved^
Litigation involving our Company		
Against our Company		
Material civil litigation proceedings	1	Not quantifiable
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	7	18.50
Taxation cases	7	73.95#*
By our Company		
Civil cases	1	Not quantifiable
Criminal cases	Nil	Nil
Litigation involving our Promoters		
Against our Promoters		

Nature of cases	No. of cases	Total amount involved^
Civil cases	Nil	Nil
Criminal cases	Nil	Nil
Action taken by statutory and regulatory authorities	Nil	Nil
Taxation cases	Nil	Nil
By our Promoters		*(in US$ million)*
Civil cases	1	40
Criminal cases	Nil	Nil

^To the extent ascertainable

#Including a penalty of ₹0.01 million, subject to the Superintendent of Central Tax, Ameerpet Division serving the Company with an order-in-original. However, the penalty will be reduced to 25% of the penalty amount, subject to payment of the entire excess CENVAT credit taken along with interest as determined in the order within 30 days from the date of receipt of the order.

**Including an aggregate amount of ₹28.41 million pre-deposited by our Company with the relevant indirect tax authorities, and an amount of ₹16.76 million pre-deposited by our Company with the relevant income tax authority.*

We can give no assurance that these legal proceedings will be decided in our favour or in favour of our Promoter. Such proceedings could divert our management's time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, could have a material adverse impact on our business and reputation. Any fine or imprisonment may adversely affect our business, prospects, cash flows, results of operations and reputation. For further details, please refer to the section titled "*Outstanding Litigation and Material Developments*" on page 261.

16. ***There are certain outstanding legal proceedings involving our Equity Shares. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are certain outstanding legal proceedings involving our Equity Shares. In 2018, S. Kanaka Durga filed a petition before the City Civil Court at Hyderabad against PVN Raju, K. Jhansi Lakshmi, Surya Trust and our Company alleging, among other things, that 53,900 equity shares of face value of ₹10 each (currently 539,000 Equity Shares of face value of ₹1 each) (the "**Disputed Equity Shares**") held by her were fraudulently transferred in favour of Surya Trust. Further, the petitioner has claimed that she was unaware of the sub-division of the face value of equity shares undertaken by the Company on December 5, 1994 and alleged that she has not received new share certificates pursuant to such sub-division which increased the number of equity shares held by her in the Company to 53,900 equity shares of face value ₹10 each. Our Company has undertaken corporate actions in relation to the Disputed Equity Shares in the past, including a rights issue on July 27, 2000 and sub-division of the face value of such equity shares on March 17, 2020. The Disputed Equity Shares represent 0.35% of our pre-Offer paid up Equity Share capital and are currently held by Fosun Singapore. For further details, see "*Outstanding Litigation and Material Developments*" on page 261. Any adverse order or direction in this case by the concerned authorities, could have a material adverse impact on our reputation, business, financial condition, cash flows and results of operation.

Our Company received a letter dated August 4, 2010 from the Deputy Director, Directorate of Enforcement, Government of India ("**ED**" and such letter, the "**2010 ED Letter**") for the attachment of 600,000 equity shares of face value of ₹10 each of our Company (currently 6,000,000 Equity Shares of face value of ₹1 each) (the "**Attached Shares**"), which were held by 10 companies which were set up by B. Ramalinga Raju and his family members. The 2010 ED Letter was sent by the ED in furtherance to an order dated July 21, 2010 ("**Order**") passed by the Adjudicating Authority under certain provisions of the Prevention of Money Laundering Act, 2002. The 2010 ED Letter directed the Company to not to transfer, dispose, remove, part with or otherwise deal with the Attached Shares in any manner whatsoever, unless specifically permitted to do so by the ED. The Company, pursuant to its letter dated March 16, 2020, informed the ED of the sub-division of the face value of the equity shares on March 17, 2020. The ED, pursuant to its letter dated June 16, 2020 ("**2020 ED Letter**"), directed the Company to transfer such sub-divided Equity Shares of the aforementioned 10 companies to the demat account of the ED. The Company is in the process of complying with the directions of the 2020 ED Letter. The Attached Shares represent 3.87% of our pre-Offer paid up Equity Share capital and are currently held by 10 companies that are not related to our Company, our Promoters, our Promoter Group, our Directors or our Key Managerial Personnel. Our Company intends and undertakes to follow the 2010 ED Letter and 2020 ED Letter involving the Attached Shares. Our Company has filed an exemption application dated July 10, 2020 with the Securities and Exchange Board of India, seeking exemption from the strict applicability of Regulation 17 of the SEBI ICDR Regulations, specifically in relation to the lock-in of the Attached Shares for a period of one year from the date of allotment in the Offer. Any non-compliance with the 2010 ED Letter and 2020 ED Letter could have a material adverse impact on our reputation, financial condition, cash flows and results of operation.

17. ***Our markets are highly competitive, both globally and domestically, and if we are unable to compete successfully against existing or new competitors, our revenues could decline and our future profitability could be affected.***

The injectables pharmaceutical market is highly competitive. According to the IQVIA Report, injectable manufacturers face high entry barriers such as high capital investments, operational costs, manufacturing complexities,

stricter compliance requirement (because of the sterile nature of products) and high-quality standards resulting in limited competition in the market Growing competition in the domestic and/or international markets may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and profit margins. Our competitors who are focused on the B2B generic injectables market include large pharmaceutical companies, specialty pharmaceutical companies and generic drug companies. According to the IQVIA Report, our principal competitors include Recipharm AB, Catalent, Inc., Lonza Group AG and Piramal Pharma Solutions. Such competitors may have access to greater financial, marketing, technical and other resources. As a result, they may be able to devote more resources to the development, manufacture, marketing and sale of their products, receive more support from independent distributors, initiate or withstand substantial price competition or more readily take advantage of acquisition or other opportunities. Such competitors may also pursue the development of injectables in-house which may reduce our commercial opportunity.

In addition to competition from established market participants, new entrants to the generic injectables pharmaceutical market could substantially reduce our market share or render our products obsolete. Most of our products are generic injectable versions of branded products and we are dependent on the loss of patent protection and exclusivity of such products for the commercialisation of our products. As patents for branded products and related exclusivity periods expire or are ruled invalid, the first generic pharmaceutical manufacturer to receive regulatory approval for a generic version of the reference product is generally able to achieve significant market penetration and higher margins on that product as such manufacturer will be granted a 180-day period of marketing exclusivity by the USFDA. As competing generic manufacturers receive regulatory approval on specific product, market share, revenue and gross profit typically decline for the original generic entrant. In addition, as more competitors enter into a specific generic market, the average selling price per unit dose of the particular product typically declines for all competitors. Our ability to sustain our level of market share, revenue and gross profit attributable to a particular generic pharmaceutical product is significantly influenced by the number of competitors in that product's market and the timing of that product's regulatory approval and launch in relation to competing approvals and launches.

The launch of our generic products could also be delayed because branded drug manufacturers may, among other things:

- make last minute modifications to existing product claims and labels, thereby requiring generic products to reflect this change prior to the drug being approved and introduced in the market;
- file new patents for existing products prior to the expiration of a previously issued patent, which could extend patent protection for additional years;
- file patent infringement suits which may result in delay for a specific period in the approval of generic versions by the relevant authorities;
- develop and market their own generic versions of their products, either directly or through other generic pharmaceutical companies, which are known as authorised generics;
- make changes in the overall product formulation, which would require fresh development and approval processes for such products; and
- switch product availability from a prescription-only to an over-the-counter basis, which would require relabelling and further regulatory approvals.

In addition, there may also be significant consolidation in the pharmaceutical industry among our competitors, or alliances developed among competitors that may rapidly acquire significant market share. If we fail to effectively compete with our competitors or adjust to structural changes in the pharmaceutical industries, our revenue and profitability may be materially and adversely affected.

18. ***We may be required to conduct clinical trials for some of our products in the future. Clinical drug development involves a lengthy and expensive process with uncertain outcomes, and we may be unable to achieve successful results in our clinical trials.***

Before obtaining regulatory approvals for the sale of some of our drug candidates in the future, we may be required to conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical trials are expensive, difficult to design and implement, can take many years to complete and are uncertain as to the outcomes. A failure of one or more of our clinical trials can occur at any stage of testing.

We may also experience numerous adverse events during clinical trials that could delay or prevent our ability to successfully complete clinical trials, including:

- regulators may not authorise us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon the relevant drug development programmes;
- patient enrolment may be insufficient or slower than we anticipate or patients may drop out at a higher rate than we anticipate;
- we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding of a lack of clinical response or a finding that participants are being exposed to unacceptable health risks;
- regulators or ethics committees may require that we or our investigators suspend or terminate clinical trials for various reasons, including non-compliance with regulatory requirements;
- the cost of clinical trials of our drug candidates may be greater than we anticipate and we may not be able to obtain sufficient funding to complete our clinical trials;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate; and
- our drug candidates may cause adverse events, have undesirable side effects or other unexpected characteristics, which cause us or our investigators to suspend or terminate the trials and may have an adverse financial impact on us.

19. ***The availability of spurious pharmaceutical products could lead to losses in revenues and harm the reputation of our products, which may in turn result in a material adverse effect on our business, financial condition, cash flows and results of operations.***

We are exposed to the risk that our products could be pirated and marketed illegally under our B2C business model. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. To distributors and patients, counterfeit products may be visually indistinguishable from the authentic version. The availability of counterfeit products would not only result in losses in revenues for our products, but could also harm the reputation of our brand name. In the event that spurious products are manufactured or sold using the "Gland Pharma" brand, we may have to establish that the spurious products are not manufactured and/or marketed by us so that we are able to limit our liability. In order to do so, we have implemented a track and trace system for our products wherever required. We also mark our products with specific batch numbers, manufacturing locations and manufacturing and expiry dates, which are maintained in an internal database at our manufacturing facilities. We cannot provide any assurance whether these will be replicated by the manufacturer of the spurious products, and therefore, may suffer financial losses as well as loss to our reputation, which may in turn result in a material adverse effect on our goodwill, business, financial condition, cash flows and results of operations.

20. ***We rely extensively on our operational support systems, including quality assurance systems, quality control systems, products processing systems and information technology systems, the failure of which could adversely affect our business, financial condition, cash flows and results of operations.***

We depend extensively on the capacity and reliability of the quality assurance, quality control, product development and information technology systems supporting our operations. Our systems are subject to damage or incapacitation by natural disasters, human error, power loss, sabotage, computer viruses, hacking, acts of terrorism and similar events or the loss of support services from third parties. Any failure or disruption in the operation of these systems or the loss of data due to such failure or disruption may affect our ability to plan, track, record and analyse work in progress and sales, process financial information, manage product lifecycle, payables and inventory or otherwise conduct our normal business operations, which may increase our costs and materially adversely affect our business, cash flows and results of operations. There can be no assurance that we will not encounter disruptions in the future. Any disruption in the use of, or damage to, our systems may adversely affect our business, financial condition, cash flows and results of operations.

21. ***Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.***

Our success will depend in part on the extent to which government and health administration authorities, private health insurers and other third-party payers will pay for our products. Increasing expenditures for healthcare has been the subject of considerable public attention in almost every jurisdiction where we conduct business. Both private and

governmental entities are seeking ways to reduce or contain healthcare costs by limiting both coverage and the level of reimbursement for new therapeutic products. In many countries in which we currently operate, including India, pharmaceutical prices are subject to regulation. Price controls operate differently in different countries and can cause wide variations in prices between markets. Currency fluctuations can aggravate these differences. The existence of price controls can limit the revenues we earn from our products. For example, in India, prices of certain pharmaceutical products are determined by the Drug Prices Control Order ("**DPCO**"), promulgated by the Indian government and administered by the National Pharmaceutical Pricing Authority ("**NPPA**"). If the prices of more of our products are administered or determined by the DPCO or NPPA or other similar authorities outside India, it would have an adverse impact on our profitability.

22. ***We are dependent upon the experience and skill of our management team and key employees. If we are unable to attract and retain qualified personnel, our results of operations and cash flows may be adversely affected.***

Our business and operations are led by a highly qualified, experienced and capable management team. We are also supported by qualified personnel possessing a range of qualifications including scientific, pharmacy post graduate and graduate, the loss of whose services may significantly delay or prevent the achievement of our business objectives. Competition among pharmaceutical companies for qualified employees, particularly R&D personnel, is intense and the ability to retain and attract qualified individuals is critical to our success. As of March 31, 2020, we had 241 employees in R&D, regulatory and manufacturing science and technology, representing approximately 6.4% of our total employees. Although the attrition rate of our employees was 16.0%, 15.0% and 18.0% in Fiscals 2018, 2019 and 2020, respectively, we cannot guarantee that we will be able to recruit and retain qualified and capable employees.

Our success significantly depends upon the continued service of our management and key personnel. If we lose the services of any of the management team or key personnel, we may be unable to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new personnel, which could adversely affect our business operations and ability to continue to manage and expand our business. Furthermore, as we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel.

Moreover, we do not maintain key person insurance to insure against the loss of key personnel. There can be no assurance that we will be able to retain and attract such individuals in the future on acceptable terms, or at all, and the failure to do so may have an adverse effect on our business, prospects, cash flows, results of operations and financial condition.

23. ***Our Company was incorporated in 1978 and we are unable to trace some of our historical corporate records and letters from the RBI. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in future in relation to the missing corporate records and letters from the RBI, which may impact our financial condition and reputation.***

Our records date back to 1978 when our Company was originally incorporated. We are unable to trace certain old secretarial and other corporate records in relation to certain allotments and subdivision of equity shares of our Company from 1994 to 2007, including (i) shareholders resolution approving the sub-division of equity shares from a face value of ₹100 each to ₹10 each on December 5, 1994; (ii) board resolutions authorizing the issuance of equity shares for the allotments dated April 20, 1995, June 26, 1996, July 30, 1996, March 24, 1997, November 21, 1997, December 31, 1997, March 31, 1998, January 31, 2001, February 8, 2001, March 20, 2001 and September 1, 2007; (iii) shareholders resolutions authorising the issuance of equity shares for the allotments dated April 20, 1995, June 26, 1996, July 30, 1996, March 24, 1997 and September 1, 2007; (iv) board resolutions evidencing the balance calls on the equity shares for allotments dated December 3, 1979, December 31, 1984 and April 20, 1995; (v) circular resolution of the Board in relation to the allotment of equity shares on November 21, 1997; (vi) share transfer committee resolution dated July 27, 2000 allotting the equity shares on a rights basis; and (vii) in relation to the allotment of equity shares on September 1, 2007, the board and shareholders resolution authorizing the issuance of equity shares on a preferential basis, notice calling for a general meeting along with explanatory statement, auditors certificate/practicing company secretary certificate as required under the Unlisted Public Companies (Preferential Allotment) Rules, 2003, board resolution evidencing allotment of equity shares, the requisite form filings and documents evidencing such allotment being made on a non-repatriation basis.

Despite conducting searches of our internal records and the records maintained by the jurisdictional RoC for the aforesaid secretarial and other corporate documents and records, we have not been able to trace the aforementioned documents. Accordingly, we have relied on other documents, including statutory registers of members and audited financial statements for the periods to which such documents relate, for such matters.

Further, we are unable to trace certain letters from the RBI, including letters issued by RBI providing final approval under FERA for the allotment of equity shares to certain non-residents on December 31, 1997 and March 31, 1998 and the letter issued by RBI acknowledging the filing of form FC-GPR and issuance of Equity Shares to non-residents in relation to the allotment of equity shares dated March 20, 2001.

While no legal proceedings or regulatory action has been initiated against our Company in relation to untraceable secretarial and other corporate records and documents as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future. We cannot assure you that such untraceable secretarial and other corporate records and documents will be available with us in future. Although no regulatory action/litigation is pending against us in relation to such untraceable secretarial and other corporate records and documents, we cannot assure you that we will not be subject to penalties imposed by regulatory authorities in this respect.

24. ***Timely and successful implementation of our contracts, including our business arrangements, is dependent on our performance. Delay or failure in delivery of our products may adversely affect our business, financial condition, cash flows and results of operations.***

Contracts with our customers and others require us to supply our products in compliance with specific delivery schedules. Our failure to adhere to contractually agreed timelines may have the following consequences:

- delayed payment to us for our products;
- imposition of penalties;
- reduction in royalty/profit share payments due to us;
- reimbursement of milestone payments by us;
- indemnification by us for the loss suffered by our customer arising out of defects in the products supplied by us or delay in shipments;
- claims may be brought against us for losses suffered as a result of our non-performance;
- our customer(s) may cancel individual orders under such contracts or terminate our contract(s); and
- our reputation may be damaged.

Failure on our part to deliver our products on a timely basis or at all, for any reason, could result in one or a number of the above listed consequences, which in turn may adversely affect our business, financial condition, cash flows and results of operations.

Our licensing and supply agreements with business partners contain provisions that require us to provide such partners with certain quantities of our products. Any interruption in the supply by third party suppliers of raw materials or any disruptions in production at our manufacturing facilities could result in our failure to supply certain quantities of our products and breach of our contractual obligations with such partners. Should we fail to meet specified supply levels, our business, financial condition, cash flows and results of operations may be adversely affected.

25. ***We may not be able to correctly assess the demand for our products, which may adversely affect our business, financial condition, cash flows and results of operations.***

Our production and distribution processes require us to anticipate the demand for our products based on the feedback received from our own marketing personnel, distributors and partners. Accurate assessment of market demand requires significant investment in our sales and marketing network and training of marketing personnel. There is no guarantee that our estimate of market demand in India or foreign countries in which we sell our products will be accurate. In the event that we overestimate the demand for our products, we may have expended resources in manufacturing excess products and paid taxes, export costs, insurance costs, distribution expenses, storage and warehousing and other related expenditures. Our products have a limited expiry period and in the event of excess production, we might have to bear the cost of expiry and destruction of these goods. In the event that we underestimate the market demand, or fail to order a sufficient volume of supplies and input materials from our third-party suppliers, we may be unable to meet customer orders and lose out on sales opportunities that our competitors may capitalise on. Failure to meet customer orders may also occur because existing manufacturing facilities and other equipment do not have sufficient capacity or we have an inaccurate level of inventory holding. Accordingly, any incorrect assessment of the demand for our products may adversely affect our business, financial condition, cash flows and results of operations.

26. ***If we fail to keep pace with evolving technological standards in the pharmaceutical industry, create new products or intellectual property, or respond to changes in market demand or customer requirements, our business and financial results could be adversely affected.***

The pharmaceutical industry is characterised by rapid advancements in technology fuelled by high expenses incurred on R&D. These advancements result in the frequent introduction of new products and significant price competition.

To meet our customers' needs as well as keep pace with our competitors, we regularly update existing technology and develop new technology for our pharmaceutical manufacturing activities. However, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. While we strive to keep our technology, facilities and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become obsolete. The cost of implementing new technologies and upgrading our manufacturing facilities as well as R&D could be significant and higher than initially anticipated and could adversely affect our business, prospects, cash flows, results of operations and financial condition. In addition, when we develop a new product or an advanced version of an existing product, we may encounter obstacles that may delay development and consequently increase our expenses, and we typically incur significant costs and effort upfront to market, promote and sell the new product offering.

The commercial success of the products and technologies we develop will depend upon the acceptance of these products by customers and competition in the market. It is difficult for us to predict whether recently introduced products, or the products that we are currently developing, will be commercially successful. If our new products or enhancements do not achieve adequate acceptance in the market, this may ultimately force us to abandon a potential product in which we have already invested substantial time and resources, and our competitive position will be impaired, our revenue will be diminished and the effect on our operating results may be particularly acute because of the significant research, development, marketing, sales and other expenses we will have incurred in connection with the new product or enhancement.

In addition, our competitors may have filed patent applications or hold patents relating to products or processes which compete with those we are developing. As of March 31, 2020, we had 12 patent applications granted and nine patent applications pending. There is no guarantee that our pending applications will result in any patent being granted, or that the patents we have been granted will result in the commercialisation of products.

27. ***Our business success depends on the strength of our brand, product image and reputation. Any failure to maintain and enhance, or any damage to, our brand, product image or reputation could materially and adversely affect the level of market recognition of, and trust in, our products.***

We consider that our success depends to a significant extent on our brand, product image and reputation. We consider both "Gland Pharma" and "Fosun Pharma" brands to have a strong image, with a reputation for high quality and reliability. If we or those distributors who operate under our brand fail to maintain and enhance, or if there is any damage to, our or our marketing partners' brand image or reputation, the demand for our products may be materially and adversely affected.

Many factors that are important to maintaining and enhancing our brand, product image and reputation are not entirely within our control, and such factors may materially and adversely affect our brand, product image and reputation. Such factors include, among other things, our ability to continue to:

- effectively control our product quality and effectiveness;
- increase brand recognition among existing and potential customers through various means of marketing and promotional activities; and
- effectively protect our trademarks and trade names.

Furthermore, any negative publicity in relation to our products damage our brand, product image and reputation. It is an inherent business risk that the treatments using our products may lead to undesirable or unexpected outcomes, including complications, injuries and even deaths in extreme cases. Such undesirable or unexpected outcomes may lead to complaints, claims, and/or legal actions against us which may materially and adversely affect our brand, product image and reputation.

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

Our business requires significant working capital including in connection with our manufacturing operations and our development of new products. We intend to utilise ₹7,695.00 million (a part of the Net Proceeds) towards funding our incremental working capital requirements in Fiscals 2021 and 2022. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes, additional market developments and new opportunities in the generic injectables industry.

Our sources of additional financing, where required to meet our working capital needs, may include the incurrence of debt, the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, which may have a significant effect on our profitability and cash flows. We may also become subject to additional covenants, which could limit our ability to access cash flows from operations and undertake certain types of transactions. In addition, to the extent we receive credit ratings in respect of any of our future borrowings, any subsequent downgrade in those credit ratings may increase interest rates for our future borrowings, which would increase our cost of borrowings and adversely affect our ability to borrow on a competitive basis. Any issuance of equity, on the other hand, would result in a dilution of the shareholding of existing shareholders.

In many cases, a significant amount of our working capital is required to finance the purchase of raw materials and the development and manufacturing of products before payment is received from customers. Our working capital requirements may increase if the payment terms in our agreements include reduced advance payments or longer payment schedules. These factors may result, and have in the past resulted, in increases in the amount of our receivables and may result in increases in any future short-term borrowings. Continued increases in our working capital requirements may have an adverse effect on our results of operations, cash flows and financial condition. In addition, it is customary in our industry to provide bank guarantees or performance bonds in favour of government authorities and government hospitals to secure tenders. Letters of credit are also often required to satisfy payment obligations to suppliers and sub-contractors. If we are unable to provide sufficient collateral to secure the letters of credit, bank guarantees or performance bonds, our ability to obtain tenders and enter into new contracts or obtain adequate supplies could be limited. Providing security to obtain letters of credit, bank guarantees and performance bonds increases our working capital needs. We may not be able to continue obtaining letters of credit, bank guarantees, and performance bonds in sufficient quantities to match our business requirements. Any such situation would adversely affect our business, cash flows and results of operations.

29. ***If we are unable to protect our intellectual property and proprietary information, or if we infringe the intellectual property rights of others, our business, financial condition, cash flows and results of operations may be adversely affected.***

As of March 31, 2020, we owned 66 registered trademarks, including our logo, GLAND, and had a total of 12 patent applications that have been granted. We have trademark and patent applications pending, any of which may be subject to governmental or third-party objection, which could prevent the maintenance or issuance of the same. We may not always be able to safeguard the same from infringement or passing off, both domestically and internationally, since we have operations in several countries and may not be able to respond to infringement or passing off activity occurring without our knowledge. Certain proprietary knowledge may be leaked, either inadvertently or wilfully, at various stages of the production process. In the event that the confidential technical or proprietary information in respect of our products or business becomes available to third parties or to the general public, any competitive advantage we may have over other companies in the generic injectables industry could be compromised. Moreover, our existing trademarks and patents may expire, and there can be no assurance that we will renew them after expiry.

We seek to launch generic pharmaceutical products either where patent protection or other regulatory exclusivity of equivalent branded products have expired, where patents have been declared invalid or where products do not infringe on the patents of others. However, due to our marketing and distribution activities in many parts of the world, we may manufacture or sell products that infringe intellectual property rights of others that could subject us to potentially high-value claims for infringement. The manufacture, use and sale of generic versions of products has been subject to substantial litigation in the pharmaceutical industry which mostly relate to the validity and infringement of patents or proprietary rights of third parties. If our products were found to be infringing on the intellectual property rights of a third-party, we could be required to cease selling the infringing products, causing us to lose future sales revenue from such products and face substantial liabilities for patent infringement, in the form of either payment for the innovator's lost profits or a royalty on our sales of the infringing product. Further, our customers have the right to terminate license and supply agreements entered with us if the commercial or intellectual property misappropriates or violates the intellectual property right of a third party. These damages may be significant and could materially adversely affect our business. Any litigation, regardless of the merits or eventual outcome, would be costly and time consuming and we could incur significant costs and/or a significant reduction in revenue in defending the action and from the resulting delays in manufacturing, marketing or selling any of our products subject to such claims. Our insurance cover may also not extend to these claims or sufficiently cover them.

30. ***Any relevant policy changes may have an adverse effect on us.***

Increasing expenditures for healthcare have been the subject of considerable public debate in India, the United States and other countries in which we sell our products. If our or our marketing partners' ability to freely set prices for our products is restricted by government regulation, healthcare legislation and pressure from third party payers, our profits will be reduced. Both private and governmental entities are seeking to find ways to reduce or contain healthcare costs.

We intend to maintain our focus and priority on the United States, Europe, Canada and Australia, while continuing to pursue growth opportunities in the Rest of the world such as Brazil, China, Africa as well as in India. In India, the GoI has been actively reviewing prices for pharmaceuticals and margins offered to trade which has resulted in certain segments of the industry agreeing to a price-freeze for a certain period of time. Although these steps by the GoI have not substantially affected our revenue or profits to date, we cannot assure you that they will not adversely affect us in the future. We cannot predict the nature of the measures that may be adopted by governmental and private organisations or their impact on our revenues. If healthcare legislation or third party payer influence results in lower pharmaceutical prices, although the demand for our generic pharmaceuticals may increase, our overall revenues may decrease and our profits could be adversely affected.

In addition, governments throughout the world heavily regulate the marketing of our products. Most countries also place restrictions on the manner and scope of permissible marketing to physicians, pharmacies and other healthcare professionals. The effect of such regulations may limit the amount of revenue that we may be able to derive from a particular product. Moreover, if we fail to comply fully with such regulations, then civil or criminal actions could be brought against us.

31. ***Conflicts of interest may arise out of the relevant business undertaken by our Company and our Promoters.***

Both our Company and Shanghai Fosun Pharma undertake pharmaceutical businesses. There is a delineation between the businesses of our Company and Shanghai Fosun Pharma given differences in the respective business models of both companies as well as in the geographic locations in which both companies undertake their respective business operations. While there is no conflict of interest presently between our Company and Shanghai Fosun Pharma, there can be no assurance that potential competition and/or conflicts of interest with Shanghai Fosun Pharma will not arise in the future in any business that we undertake or that Shanghai Fosun Pharma's interests will otherwise not conflict with ours. Any such future conflicts could have a material adverse effect on our business, cash flows, results of operations and financial condition.

32. ***Our management has discretion in how it may use the proceeds of the Offer. Any variation in the utilisation of our Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.***

Our use of the proceeds of the Offer is at the discretion of the management of our Company. As described in the section titled "*Objects of the Offer*" on page 76, we intend to use the Net Proceeds for various purposes, including but not limited to, (i) funding incremental working capital requirements; (ii) funding capital expenditure requirements of the Company; and (iii) general corporate purposes. However, we have not entered into any definitive agreements and do not have any definite and specific commitments towards the aforementioned purposes for which our Company intends to use the Net Proceeds. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and may involve considerable time or cost overrun and in such an eventuality it may adversely affect our operations or business.

33. ***We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements.***

We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements which includes, *inter alia*, purchase of production equipment, R&D equipment and warehouse equipment. We have estimated the total cost of such capital expenditure to be ₹1,680 million. We have yet to place orders for the total capital expenditure. We have not entered into any definitive agreements to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. While we have obtained the quotations from various vendors in relation to such capital expenditure, most of these quotations are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. For details, see "*Objects of the Offer*" at page 76.

34. ***We could be adversely affected by violations of anti-bribery laws worldwide.***

The pharmaceutical industry is highly regulated and pharmaceutical companies are subject to various anti-bribery regulations worldwide, and even minor irregularities can potentially give rise to significant consequences. Anti-bribery laws worldwide, especially U.S. Foreign Corrupt Practices Act (the "**FCPA**") generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business. Pharmaceutical companies are particularly at risk of anti-bribery law violations because health care systems in some countries are often owned or operated by government agencies. Therefore, during the course of business activities, interactions with individuals considered to be government officials can be more frequent than in other industries. As a result, there is heightened exposure to potential corruption risk, and over the past few years, a number of pharmaceutical and other healthcare companies have been prosecuted under anti-bribery laws for a variety of activities, such as providing free trips, free goods, grants and other monetary benefits to doctors and hospitals. Our policies mandate compliance with these laws, which often carry substantial penalties. However, our internal control

policies and procedures may not always protect us from acts committed by our affiliates, employees or agents which may violate these laws and regulations. Violations of anti-bribery laws and regulations could result in fines and penalties, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business and on our ability to offer our products in one or more countries, and could also materially affect our brand, our international growth efforts, our ability to attract and retain employees, our business, and our operating results. There can be no assurance that our partners, our employees, contractors, or agents will not subject us to potential claims or penalties. Any violations of these laws, or allegations of such violations, could have a material adverse effect on our business, financial position, cash flows and results of operations.

35. ***Our operations are subject to environmental and health and safety laws and other employee-related regulations. If we are unable to comply with such laws and regulations, it may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

Our operations are subject to environmental laws and regulations relating to environmental protection in India, such as the Water Pollution Act, Air Pollution Act and the Environment Act, as well as international environmental laws and regulations. For example, the discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions. There can be no assurance that compliance with such environmental laws and regulations will not result in a curtailment of production or a material increase in the costs of production or otherwise have a material adverse effect on our financial condition, cash flows and results of operations. Environmental laws and regulations in India have become increasingly stringent and it is possible that they will become significantly more stringent in the future. If any of our manufacturing facilities or the operations of such manufacturing facilities are shut down, we may continue to incur costs in complying with regulations, appealing any decision to close our facilities, maintaining production at our existing facilities and continuing to pay labour and other costs even if the facility is closed. Non-compliance with such environmental laws and regulations may subject us to regulatory action, including monetary penalties. More stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which we currently operate can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging.

We are also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, employment and termination of employees, contract labour, work permits and health and safety. If we are unable to comply with various regulatory requirements, it may have a material adverse effect on our business, financial condition, cash flows and results of operations.

36. ***We are currently entitled to certain tax incentives and export promotion schemes. Any decrease in or discontinuation of such tax incentives or export promotion schemes may adversely affect our results of operations, cash flows and financial condition.***

We are currently entitled to certain tax incentives and export promotion schemes. According to the requirement under such schemes, we are required to export goods of a defined amount, failing which we may have to pay the GoI a sum equivalent to the duty benefit enjoyed by us under such schemes along with interest. For instance, we currently enjoy tax benefits under the Merchandise Exports from India Scheme ("**MEIS**"), the objective of which is to reward exporters who offset infrastructural inefficiencies and associated costs involved in export of products being produced or manufactured in India, especially those having high export intensity and employment potential, thereby enhancing India's export competitiveness. Under the MEIS, the GoI provides duty benefits depending on the product and the country of export. In addition, we import capital goods at zero customs duty under the Export Promotion Capital Goods Scheme which facilitates import of capital goods into India. We also have an advance license for duty free import of goods. Any newly introduced or revised policies in relation to tax duties or other such levies issued by the Directorate General of Foreign Trade or relevant tax authorities may deprive us of our existing benefits. Further, two of our facilities are located in the special economic zone in Visakhapatnam. New or revised policies in relation to the special economic zone or policies related to tax, duties or other such levies promulgated from time to time by relevant tax authorities may adversely affect our results of operations and cash flows. We cannot predict the current or future initiatives and there can be no assurance that we will continue to enjoy tax benefits. Any reduction or withdrawal of such tax incentives or export promotion schemes or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, cash flows, results of operations and financial condition.

37. ***We appoint contract labour for carrying out certain of our operations and we may be responsible for paying the wages of such workers if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our cash flows, results of operations and financial condition.***

In addition to our employees, in order to retain flexibility and control costs, we appoint independent contractors who in turn engage on-site contract labour for performance of certain of our operations. Although we do not engage these labourers directly, we may be held responsible for any wage payments including social security contributions to be

made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our results of operations, cash flows and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, cash flows and results of operations.

38. ***Some of our business operations are being conducted on leased premises. Our inability to seek renewal or extension of such leases may adversely affect our business operations.***

While most of our manufacturing facilities are located on freehold property, some of our business operations are being conducted on premises leased from third parties. We have entered into lease agreements for our facilities situated in Visakhapatnam, for a period of 15 years from May 4, 2010 (which is renewable for a further period of 15 years subject to the covenants, provisions and stipulations imposed by the lessor). For our marketing offices, depots and sheds, we have entered into lease agreements, the tenure of which range from one to five years, subject to renewal. The lease deeds, other than the lease deed in relation to the facilities located at Visakhapatnam, are neither stamped nor registered. Under Section 35 of the Indian Stamp Act, 1899 and the relevant state specific stamp laws, instruments which are not duly stamped are inadmissible as evidence in any court. Further, under Section 17 of the Registration Act, 1908 leases of immoveable property from year to year or for any term exceeding one year are mandatorily required to be registered.

While there are currently no instances of non-compliance of the terms of our lease agreements, there can be no assurance that there will be no such non-compliance leading to termination of such leases in the future. Any change in the terms and conditions of the lease agreements and any premature termination of such lease agreements may have an adverse impact on our business operations.

Any adverse impact on the title and ownership rights of the owners from whose premises we operate, breach of the contractual terms of any lease deeds, or any inability to renew such agreements on acceptable terms may also affect our business operations. In addition, the terms of certain of our leases require us to obtain the lessor's prior consent for certain actions, including making structural alterations to the leased premises, which may be required if we were to undertake an expansion in the future.

There can be no assurance that we will be able to renew these leasing arrangements at commercially favourable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting to new premises, all of which may adversely affect our business operations.

39. ***Our insurance coverage may not adequately protect us against all losses. To the extent that we suffer loss or damage which is not covered by insurance or exceeds our insurance coverage, our cash flows, results of operations and financial performance could be adversely affected.***

We maintain insurance policies for our manufacturing facilities in India, including buildings, machinery and inventories, consequential damages such as loss of profit, coverage for risks during the shipment of products, public liability coverage, product liability coverage such as in cases of product recalls or health issues arising from the use of our products, workmen compensation and group mediclaim policy for employees. In addition, we also maintain insurance policies covering directors' and officers' liability. We are not insured against personal accidents, environmental damages, terrorist acts and war related events. For further details, please refer to the section titled "*Our Business – Insurance*" on page 137.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all our losses. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

40. ***The acquisition of other companies, businesses or technologies could result in operating difficulties, dilution and other adverse consequences.***

As part of our growth strategy, we may from time to time pursue strategic acquisitions of companies, products and technologies or enter into partnerships to strengthen our product and technology infrastructure. We cannot assure you that we will be able to identify suitable acquisition, strategic investment or joint venture opportunities at acceptable

cost and on commercially reasonable terms, obtain the financing necessary to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. If we attempt to acquire companies outside of India, we may not be able to satisfy certain regulatory requirements for such acquisitions.

In addition, acquisitions and investments involve a number of risks, including possible adverse effects on our operating results, exposure to future funding obligations, diversion of management's attention, failure to retain key personnel, currency risks, risks associated with unanticipated events or liabilities, possible contravention of applicable laws in relation to investment and transfer of shareholding, including any pre-emptive rights of existing shareholders of such entities and difficulties in the assimilation of the operations, technologies, systems, services and products of the acquired businesses or investments, as well as other economic, political and regulatory risks. While we have not undertaken any acquisitions historically, failure to achieve successful integration of any future acquisitions or investments could have a material adverse effect on our business, financial condition, cash flows and results of operations. Future acquisitions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortisation expenses, or write-offs of goodwill, any of which could harm our financial condition and may have an adverse impact on the price of our Equity Shares.

41. ***Some of our employees are members of unions and we may be subject to industrial unrest, slowdowns and increased wage costs, which may adversely affect our business, cash flows and results of operations.***

Our manufacturing facilities are located in numerous locations in southern India which have stringent labour legislation in place that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment.

As of March 31, 2020, 45 of our employees were members of labour unions. Accordingly, it may be difficult for us to maintain flexible labour policies and we may face the threat of labour unrest, work stoppages and diversion of our management's attention due to union intervention. Although we have not experienced any labour unrest or work disruptions in the past, labour unrest or work stoppages or other slowdown at one or more of our manufacturing facilities may cause us to experience a significant disruption of our operations and to pay penalties for the late delivery of our products. Labour unrest or strikes associated with our operations could also damage our reputation with customers or in the market generally.

We have entered and may in the future enter into agreements with unions or works councils under which we incur certain obligations or agree to certain limitations or conditions for a period of time with respect to certain personnel, workplaces, departments or product lines. If a greater percentage of our work force became unionised, our labour costs may increase. In the long term, increases in labour costs in India may make us less competitive unless we are able to increase our efficiency and productivity proportionately and we can pass on such costs in the prices that we charge our customers. Any significant increase in our labour costs may have an adverse effect on our business, cash flows, results of operations and financial condition. In addition, our collective bargaining agreements are subject to renegotiation with the unions from time to time and it is possible that employees could argue for arrangements that could cause us to incur higher employment costs. Such agreements or arrangements could limit our ability to adjust workforce headcounts or salaries or to restructure our business in response to difficult economic conditions. This reduced flexibility could have an adverse effect on our business, cash flows, results of operations and financial condition.

42. ***We have power and water requirements and any disruption to power or water sources could increase our production costs.***

We require power and water for our manufacturing facilities. If energy or water costs were to rise, our production costs could increase if we are unable to increase our product prices enough to offset these increased costs. If electricity or water supplies or supply arrangements were disrupted, we may need to rely on alternative sources, which may not be able to consistently meet our requirements. Interruptions of electricity supply can also result in production shutdowns, increased costs associated with restarting production and the loss of production in progress.

43. ***We have relied on a third party industry report which has been used for industry related data in this Draft Red Herring Prospectus and such data have not been independently verified by us.***

We have relied on the IQVIA Report for industry related data that has been disclosed in this Draft Red Herring Prospectus. The report uses certain methodologies for market sizing and forecasting. We have not independently verified such data and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. 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 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. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data.

Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. For further details, please refer to the section titled "*Industry Overview*" on page 94.

44. ***Certain of our business transactions are entered into with government or government-funded entities in India and any change in the government policies, practices or focus may adversely affect our business, cash flows and results of operations.***

Certain of our business is dependent on contracts with governmental authorities, government hospitals and other entities funded by governments or governmental authorities in the domestic market. If there is any change in the government or in governmental policies, practices or focus that results in a delay in obtaining government contracts, our business, cash flows and results of operations may be adversely affected.

One of the standard conditions in contracts typically awarded by governments or government-backed entities is that the government or entity, as a client, has the right to terminate the contract for convenience, without any reason, at any time after providing us with notice. In the event that a contract is so terminated, our results of operations and cash flows may be adversely affected.

45. ***If we fail to maintain an effective system of internal controls, we may not be able to successfully manage or accurately report our financial risks.***

Effective internal controls are necessary for us to prepare reliable financial reports and effectively avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. There can be no assurance that deficiencies in our internal controls will not arise in the future, or that we will be able to implement and continue to maintain adequate measures to rectify or mitigate any such deficiencies in our internal controls.

46. ***We have contingent liabilities and our financial condition could be adversely affected if any of these contingent liabilities materialises.***

As of March 31, 2020, our Restated Financial Information disclosed the following contingent liabilities as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(in ₹ million)

Particulars	As at March 31, 2020
Outstanding bank guarantees (excluding performance obligations)	14.58
Claims against the Company not acknowledged as debts	29.90
Demand for direct taxes	16.76
Demand for indirect taxes	
Entry tax	47.01
Service tax	4.79
Value Added Tax and CST	5.30

Provident Fund

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated February 28, 2019. As a matter of caution, our Company has accordingly made the payments for the current year. Our Company will update its position, on receiving further clarity on the subject.

The aggregate contingent liabilities were ₹118.34 million as of March 31, 2020. If any of these contingent liabilities materialises or if at any time we are compelled to pay all or a material proportion of these contingent liabilities, it may have an adverse effect on our financial condition, profitability and cash flows.

47. ***Our Directors and key management personnel may have interests other than reimbursement of expenses incurred and normal remuneration or benefits in our Company.***

Our Directors and key management personnel may be interested in our Company to the extent of the Equity Shares and employee stock options held by them in our Company, and any dividends, bonuses or other distributions on such Equity Shares. For further details, see "*Our Management*" on page 150.

48. ***We have entered into transactions with related parties. We will continue to enter into such transactions and there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.***

We have entered into transactions with several related parties, including our Group Companies, Promoter Group and Key Managerial Personnel which were carried out in compliance with applicable laws.

While we believe that all such transactions have been conducted on an arms-length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will continue to enter into related party transactions in the future. There can be no assurance that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, cash flows and results of operations. Further, any future transactions with our related parties may potentially involve conflicts of interest. There can also be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

49. ***One of our Independent Directors is an independent director on the board of one of our Group Companies, from which our Company has purchased certain land.***

Our Company purchased land situated at Pashamylaram from one of our Group Companies, Gland Chemicals Private Limited, for a consideration of ₹29.17 million on May 15, 2019. One of our Independent Directors, Satyanarayana Murthy Chavali, is an independent director on the board of directors of Gland Chemicals Private Limited. For further details, see "*Our Management*" and "*Our Group Companies - Nature and extent of interest of our Group Companies*" on pages 150 and 183, respectively

50. ***We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

51. ***We will continue to be controlled by our Promoters immediately after the completion of the Offer.***

As of the date of this Draft Red Herring Prospectus, our Promoters, directly and indirectly, along with their nominees hold 74% of the issued, subscribed and paid-up Equity Share capital of our Company. Upon completion of the Offer, our Promoters (by themselves and along with their nominees) will hold [●]% of our paid up Equity Share capital. For further information, see "*Capital Structure*" on page 61. Our Promoters will therefore, be able to control the outcome of matters submitted to the Shareholders for approval, which include significant matters such as the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements and any amendment to our Memorandum of Association and Articles of Association. After the Offer, our Promoters will continue to exercise significant control or influence over our business and major policy decisions. Further, our Promoter, Fosun Singapore, has appointed four Non-Executive Nominee Directors on our Board and our Managing Director and CEO is deemed to have been appointed by Fosun Singapore, pursuant to the terms of the Continuing Shareholders SHA. Accordingly, the interests of our Promoters in their capacity as Shareholders of our Company may conflict with your interests and the interest of other Shareholders of our Company. However, pursuant to the terms of the Continuing Shareholders WCA, the special rights of Fosun Singapore, including, inter alia, to appoint directors on the Board, shall terminate upon receipt of final listing and trading approvals from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to the Offer.

Shanghai Fosun Pharma is a joint stock public limited company incorporated under the laws of the PRC whose shares are listed on the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited. To the extent that business or financial information relating to our Company can be derived from the annual or other public reports of Shanghai Fosun Pharma prepared in the ordinary course or filings made with the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited in accordance with applicable standards and requirements for listed company disclosure, investors are reminded that such information has not been and will not be prepared for purposes of this Offer and does not form a part of this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus. Any investment decision in connection with the Offer must be taken only on the basis of the information in the Red Herring Prospectus and the Prospectus.

52. ***We have not been able to obtain certain records of the educational qualifications of two of our Directors and have relied on affidavits and declarations furnished by such Directors for details of their profiles included in this Draft Red Herring Prospectus.***

Our Chairman and Independent Director, Yiu Kwan Stanley Lau and our Independent Director, Moheb Ali Mohammed, have been unable to trace copies of documents pertaining to their respective educational qualifications, namely the bachelor's degree in pharmacy from the University of London of Yiu Kwan Stanley Lau, and the master's degree in history and international relations from Madras University of Moheb Ali Mohammed. Accordingly, reliance has been placed on affidavits and declarations furnished by them to us and the BRLMs to disclose details of their respective educational qualifications in this Draft Red Herring Prospectus. We and the BRLMs have been unable to independently verify these details prior to inclusion in this Draft Red Herring Prospectus. Further, there can be no assurances that such Directors will be able to trace the relevant documents pertaining to their educational qualifications in future, or at all.

53. ***Certain of our Directors are associated with companies engaged in similar lines of business to our Company. Any conflict of interest which may occur between our business and the activities undertaken by such companies, could adversely affect our business and prospects.***

Satyanarayana Murthy Chavali, an Independent Director on our Board, is an independent director on the board of Gland Chemicals Private Limited, and a director on the board of Balaji Amines Limited, a supplier of pharmaceutical intermediates and solvents to the pharmaceutical industry. He is a partner in Satyarx Pharma Innovations LLP, a pharmaceutical new chemical entity research organization. Further, Udo Johannes Vetter, a Non-Executive Nominee Director on our Board, is the chairman of Vetter Pharma-Fertigung GmbH and Co. KG. He is also a director on the board of Navigo Proteins GmbH & Co. K.G., Germany, a bio-tech company and ITM AG Germany. Further, our Chairman and Independent Director, Yiu Kwan Stanley Lau, is a director on the boards of Solasia Pharma K.K. and TaiLai Bioscience Ltd. These entities are in similar lines of business to our Company, and there can be no assurance that conflicts of interest will not occur between our business and the businesses of such entities, which could have an adverse effect on our business and prospects.

External Risks

54. ***A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

Our performance and the growth of our business are dependent on the health of the overall Indian economy. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy's growth momentum moderated significantly in Fiscals 2018 and 2019 as compared to previous years. According to the Indian Central Statistics Organization, India's real GDP growth decreased from 8.2% in Fiscal 2017 to 7.2% in Fiscal 2018 and further decreased to 6.8% in Fiscal 2019. This slower rate of economic growth was primarily driven by a slowdown in consumer demand, the transitional impacts of the introduction of the Goods and Services Tax in 2017. According to the Indian Central Statistics Organization, industrial sector growth slowed from 8.3% in Fiscal 2017 and 6.1% in Fiscal 2018 to 7.6% in Fiscal 2019.

The Indian economy has slowed further in Fiscal 2020 and the first quarter of Fiscal 2021. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, cash flows and results of operations and the market price of the Equity Shares.

Further, other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies; occurrence of natural or man-made disasters; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India. The Indian economy has also been affected by the COVID-19 pandemic. For further discussion on the impact of COVID-19, please see "*Risk Factors – The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations*" on page 25 and "*Risk Factors – Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, cash flows, results of operations and prospects*" on page 43.

55. ***Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, cash flows, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the United States and several European countries during a part of Fiscals 2008 and 2009 adversely affected market prices in the global securities markets, including in India. In addition, the ongoing COVID-19 pandemic has caused an economic downturn in several major economies and generated volatility in, and general adverse impact on, the global securities markets, including in India; further, it is not possible for us to predict the extent and duration of this volatility and adverse impact on the global or Indian securities markets, including any possible impact on our Equity Shares. For further discussion on COVID-19, see "*Risk Factors – The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations*" on page 25. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide

financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Large budget deficits and rising public debts in Europe in recent years have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/ or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Increased budget deficits and the incurrence of additional public debt in Europe and other developed markets as a result of the COVID-19 pandemic may exacerbate these risks and uncertainties.

Further deterioration in the global economy as a result of COVID-19 or otherwise, or the perception that such deterioration could occur, may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

56. ***Political instability, changes in economic policy, changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business.

Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalisation and deregulation. The rate of economic liberalisation could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

There can be no assurance that the GoI may not implement new regulations and policies which will require us to obtain approvals and licences from the GoI and other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations or cash flows. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the GoI implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines taxes and levies by the central and state governments into a unified rate structure. Several provisions of the GST regime are currently ambiguous and there can be no assurance that future clarifications by the GoI on the GST regime would be favourable to us. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

57. ***We are exposed to risks associated with foreign exchange rate fluctuations.***

Our global export footprint exposes us to foreign exchange rate risks, arising primarily from our receivables, import of raw materials and capital goods for our operations and export of goods. Our exposure to exchange rate fluctuations is in part naturally hedged by the fact that we export formulations and import raw materials and equipment. However, there can be no guarantee that such fluctuations will not affect our financial performance in the future as we continue to expand our operations globally, particularly in emerging markets where the risk of currency volatility is higher.

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. ***Terrorist attacks, civil disturbances and regional conflicts in South Asia may have an adverse effect on our business.***

India has, from time to time, experienced social and civil unrest within the country, localized terror attacks and political instability in and hostilities with neighbouring countries. For example, in June 2020 a confrontation occurred between Indian and Chinese military forces. Any degradation in India-China political relations or any future military confrontations could result in curbs or delays on the import from China into India of materials and equipment that we require to operate our business, increases in duties on imports from China into India, curbs on the export of finished products from India to China, and negative public sentiment within India toward Chinese-owned companies such as our Company. In addition, India has witnessed localised terrorist attacks in the past. There can be no assurance that such situations will not recur or be more intense than in the past.

These hostilities and tensions could lead to political or economic instability in India and a possible adverse effect on our business and future financial performance. Acts of violence, conflict, war or terrorist attacks may adversely affect markets and economic growth both globally and in India in particular. Such acts may also result in a loss of business confidence, make travel and other services more difficult and have other consequences that could have an adverse effect on our business, cash flows, results of operations and financial condition. In addition, any deterioration in India-China or wider international relations may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. Any of these events could also create a perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business, financial conditions, cash flows, results of operations and prospects.

60. ***The occurrence of natural or man-made disasters may adversely affect our business, cash flows, results of operations and financial condition.***

A natural disaster, severe weather conditions or an accident that damages or otherwise adversely affects any of our operations could have a material adverse effect on our business, financial condition, cash flows and results of operations. Severe flooding, lightning strikes, earthquakes, extreme wind conditions, severe storms, wildfires, and other unfavourable weather conditions (including those from climate change) or natural disasters could damage our property and assets or require us to shut down our manufacturing facilities or related equipment and facilities, impeding our ability to maintain and operate our projects and decreasing electricity production levels and revenues from operations.

In addition, catastrophic events such as explosions, terrorist acts or other similar occurrences could result in similar consequences or in personal injury, loss of life, environmental danger or severe damage to or destruction of the facilities or suspension of operations, in each case, adversely affecting our ability to maintain and operate the business and decreasing production levels and revenues from operations. Any of these events could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.

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

India's sovereign rating is Baa3 with a "negative" outlook (Moody's), BBB-with a "stable" outlook (S&P) and BBB-with a "negative" outlook (Fitch). India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside the Company's control. Any adverse change in India's credit ratings by international rating agencies may adversely impact the Indian economy and consequently our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

62. ***Changes in trade policies may affect us.***

We are continuing to expand our international operations as part of our growth strategy. Any change in policies by the countries, in terms of tariff and non-tariff barriers, from which our suppliers import or export their raw materials or components, or countries to which we export our products, may have an adverse effect on our profitability. Furthermore, we import various raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials, such as glass ampoules, vials, glass bottles, PVC and non-PVC bags or films, rubber

stoppers, and secondary packaging materials directly from our international suppliers. Any change in export policies by the countries in which our suppliers are based may have an adverse impact on our business.

There is currently significant uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, government regulations and tariffs. The current U.S. government has called for substantial changes to U.S. foreign trade policy with respect to China and other countries, including the possibility of imposing greater restrictions on international trade and significant increases in tariffs on goods imported into the United States. Although China is the primary target of U.S. trade measures, value chain linkages mean that other emerging markets, primarily in Asia, may also be impacted. Such imposition of tariffs, trade restrictions and trade barriers could have a generally disruptive impact on the global economy and, therefore, negatively impact our sales. Given the relatively fluid regulatory environment in China and the United States and uncertainty regarding how the U.S. or foreign governments will act with respect to tariffs, international trade agreements and policies, a trade war, further governmental action related to tariffs or international trade policies, or additional tax or other regulatory changes in the future could occur and could directly and adversely impact our financial results, cash flows and results of operations.

63. ***The United Kingdom's vote to leave the European Union will have uncertain effects and could adversely affect us.***

On June 23, 2016, the electorate in the U.K. voted in favour of leaving the European Union ("**EU**") ("**Brexit**"). Thereafter, on March 29, 2017, the country formally notified the EU of its intention to withdraw pursuant to Article 50 of the Lisbon Treaty. The withdrawal of the U.K. from the EU took effect on January 31, 2020.

The effects of Brexit will depend on agreements the U.K. makes to retain access to EU markets subsequently. Brexit creates an uncertain political and economic environment in the U.K. and potentially across other EU member states for the foreseeable future and such uncertainties could impair or limit our ability to transact business in the member EU states.

Further, Brexit could adversely affect European and worldwide economic or market conditions and could contribute to instability in global financial markets, and the value of the British pound sterling currency or other currencies, including the euros. We are exposed to the economic, market and fiscal conditions in the U.K. and the EU and to changes in any of these conditions. Depending on the terms reached regarding future access to EU markets, it is possible that there may be adverse practical and/or operational implications on our business.

A significant amount of the regulatory regime that applies to us in the U.K. is derived from EU directives and regulations. However, Brexit could change the legal and regulatory framework within the U.K. where we operate and is likely to lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate. Consequently, no assurance can be given as to the impact of Brexit and, in particular, no assurance can be given that our operating results, financial condition and prospects would not be adversely impacted by the result.

Risks Relating to the Offer and the Equity Shares

64. ***Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Offer. Further, 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 Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price of the Equity Shares has been determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. The Offer Price will be based on numerous factors, including the basic and diluted earnings per share, price earnings ratio in relation to the offer price per equity share of the face value, comparison with listed industry peers, if any, and return on net worth as described under "*Basis for Offer Price*" beginning on page 86 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;

- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments; announcements by third parties or governmental entities of significant claims or proceedings against us;
- developments relating to our peer companies in the pharmaceutical industry;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- future sales of the Equity Shares by our shareholders;
- changes in exchange rates;
- speculative trading in the Equity Shares;
- investor perception of us and the industry in which we operate;
- the public's reaction to our press releases and adverse media reports;
- changes in the price of conventional and renewable energy;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment.

65. ***We cannot assure payment of dividends on the Equity Shares in the future.***

Our ability to pay dividends in the future will depend on our profitability. 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 February 11, 2020. The quantum of dividend to be distributed, if any, will depend on a number of factors, including profit earned during the current financial year, overall financial conditions, cost of raising funds from alternative sources, money market conditions, expansion plans and macro-economic conditions. We cannot assure you that we will be able to pay dividends in the future. For further details, see "*Dividend Policy*" on page 185.

66. ***Investors may be subject to Indian taxes arising out of capital gain on the sale of Equity Shares.***

Under current Indian tax laws, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. However, any gain realised on the sale of listed Equity Shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such Equity Shares on or after October 1, 2004, except in the case of such acquisitions of Equity Shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017- TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long term capital gains exceeding ₹100,000 arising from sale of Equity Shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares subject to specific conditions. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realised on the sale of listed Equity Shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. 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.

67. ***Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one (1) working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods

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

Indian legal principles relating to these matters and the validity of 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 under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders of our Company than as shareholders of a corporation in another jurisdiction.

69. ***Fluctuations in the exchange rate of the Rupee and other currencies could have a material adverse effect on the value of the Equity Shares, independent of our operating results.***

The Equity Shares would be quoted in Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Rupees and subsequently converted into appropriate foreign currency for repatriation. Any adverse movement in exchange rates during the time it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

70. ***Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the FDI Policy notified by the DPIIT through a notification dated August 28, 2017, as amended and the FEMA Non-debt Instrument Rules, FDI in the pharmaceutical sector is permitted (i) up to 100% in greenfield investments under the automatic route; and (ii) up to 100% (automatic route up to 74% and government route beyond 74%) in brownfield investments. Further, the GoI may incorporate appropriate conditions for FDI in brownfield investments at the time of granting approval. FDI in the pharmaceutical sector is subject to conditions such as non-compete which is not allowed except in special circumstances with governmental approval. Further, the Government of India on April 22, 2020 amended the FEMA Non-debt Instruments Rules pursuant to which any investment into India by an entity of a country which shares a land border with India, or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall require the approval of the Government of India. For further details, see "*Restriction on Foreign Ownership of Indian Securities*" on page 300.

Also, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are permitted (subject to certain exceptions) if they comply with, among other things, the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares does not comply with such pricing guidelines or reporting requirements, or falls under any of the exceptions referred to above, then prior approval of the RBI will be required.

Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate any such foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

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

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

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

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

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

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the Indian Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

72. ***QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors 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 Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, 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 the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

SECTION III: INTRODUCTION

THE OFFER

The following table sets forth details of the Offer:

Equity Shares Offered	
Offer of Equity Shares of face value of ₹1 each	Up to [●] Equity Shares, aggregating up to ₹[●] million
The Offer consists of:	
Fresh Issue[(1)]	Up to [●] Equity Shares, aggregating up to ₹12,500 million
Offer for Sale[(2)]	Up to 34,863,635 Equity Shares, aggregating up to ₹[●] million
The Offer consists of:	Up to [●] Equity Shares aggregating up to ₹[●] million
QIB Portion[(3)(4)]	Not more than [●] Equity Shares
of which:	
- Anchor Investor Portion	Up to [●] Equity Shares
- Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
- Mutual Fund Portion	[●] Equity Shares
- Balance for all QIBs including Mutual Funds	[●] Equity Shares
Non-Institutional Portion	Not less than [●] Equity Shares
Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	154,949,490 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds of the Offer	See "*Objects of the Offer*" on page 76 for information about the use of the proceeds from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Fresh Issue has been authorised by our Board of Directors and our Shareholders pursuant to the resolutions passed at their meetings dated November 1, 2019 and June 23, 2020, respectively.*

(2) *The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below*:

S. No.	Selling Shareholder	Number of Equity Shares offered in the Offer for Sale	Date of board resolution	Date of consent letter
Promoter Selling Shareholder				
1.	Fosun Singapore	Up to 19,368,686 Equity Shares	June 10, 2020	June 30, 2020
Other Selling Shareholders				
1.	Gland Celsus	Up to 10,047,435 Equity Shares	June 22, 2020	July 10, 2020
2.	Empower Trust	Up to 3,573,014 Equity Shares	June 22, 2020	July 10, 2020
3.	Nilay Trust	Up to 1,874,500 Equity Shares	June 22, 2020	July 10, 2020

(3) *Our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 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 in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. For details, see "Offer Procedure" on page 288.*

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Net QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Under subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, the BRLMs and the Designated Stock Exchange. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 90% of the Fresh Issue. For further details, see "Offer Structure" on page 285.*

Allocation to all categories, except the Anchor Investor 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 Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For further details, see "*Offer Procedure*" on page 288.

SUMMARY OF FINANCIAL INFORMATION

The summary financial information presented below should be read in conjunction with "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 186 and 240.

RESTATED SUMMARY OF ASSETS AND LIABILITIES

(in ₹ million, except share data and unless otherwise specified)

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	9,671.49	9,287.43	8,426.41
Capital work in progress	1,884.66	1,231.62	1,988.82
Right-of-use assets	9.51	9.66	11.27
Financial assets			
Other financial assets	69.15	64.26	60.88
Tax assets (net)	14.51	189.59	198.36
Other non-current assets	748.17	878.37	1,287.31
	12,397.49	**11,660.93**	**11,973.05**
Current assets			
Inventories	7,562.79	9,118.76	5,128.30
Financial assets			
Loans	4.96	2.75	3.11
Trade receivables	6,017.85	5,061.00	4,752.10
Cash and cash equivalents	1,694.97	2,364.02	3,728.41
Bank balances other than cash and cash equivalents	11,556.96	5,169.47	2,979.98
Other financial assets	151.01	70.99	33.93
Tax assets (net)	95.35	-	-
Other current assets	1,379.01	1,787.57	695.80
	28,462.90	**23,574.56**	**17,321.63**
Total assets	**40,860.39**	**35,235.49**	**29,294.68**
Equity and Liabilities			
Equity			
Equity share capital	154.95	154.95	154.95
Other equity	36,307.40	28,465.04	23,948.64
	36,462.35	**28,619.99**	**24,103.59**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	40.69	49.60	54.89
Other financial liabilities	26.58	162.52	387.17
Deferred tax liabilities (net)	740.54	1,075.69	957.14
	807.81	**1,287.81**	**1,399.20**
Current liabilities			
Financial liabilities			
Trade payables			
Total outstanding dues of micro, small and medium enterprises	33.15	14.28	23.43
Total outstanding dues of creditors other than micro, small and medium enterprises	2,457.79	4,447.70	2,894.68
Other financial liabilities	303.79	219.82	149.17
Provisions	174.79	28.81	21.09
Current tax liabilities (net)	107.23	110.04	129.00
Other current liabilities	513.48	507.04	574.52
	3,590.23	**5,327.69**	**3,791.89**
Total equity and liabilities	**40,860.39**	**35,235.49**	**29,294.68**

RESTATED SUMMARY OF PROFIT AND LOSS

(in ₹ million, except share data and unless otherwise specified)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	26,332.40	20,442.03	16,228.93
Other income	1,391.68	855.64	487.89
Total income (I)	**27,724.08**	**21,297.67**	**16,716.82**
Expenses			
Cost of materials consumed	10,902.54	9,548.91	7,182.98
Purchase of traded goods	186.73	162.84	91.22
Increase in inventories of finished goods, stock-in-trade and work-in-progress	(69.04)	(1,141.54)	(666.66)
Excise duty on sale of goods	-	-	29.52
Power and fuel	785.00	740.34	603.52
Employee benefits expense	2,776.62	2,229.49	1,790.80
Depreciation expense	945.87	821.20	783.68
Finance expense	71.82	36.69	42.42
Other expenses	2,195.88	1,836.96	1,844.69
Total expenses (II)	**17,795.42**	**14,234.89**	**11,702.17**
Restated profit before exceptional items and tax (III)= (I-II)	**9,928.66**	**7,062.78**	**5,014.65**
Exceptional items (IV)			
Employee separation compensation	**-**	**200.00**	**-**
Restated profit before tax (V)= (III-IV)	**9,928.66**	**6,862.78**	**5,014.65**
Tax expenses			
Current tax	2,513.97	2,212.26	1,694.59
Deferred tax (credit)/ charge	(318.21)	119.71	106.01
Taxes for earlier year	4.32	12.25	3.54
Total tax expense (VI)	**2,200.08**	**2,344.22**	**1,804.14**
Restated profit for the year (VII)=(V-VI)	**7,728.58**	**4,518.56**	**3,210.51**
Other comprehensive income (OCI)			
Other comprehensive income not to be reclassified to profit or loss in subsequent years:			
Re-measurement loss on employee defined benefit plans	69.75	3.32	7.69
Deferred tax income on remeasurement of defined benefit plans	(17.55)	(1.16)	(2.66)
Restated total other comprehensive loss for the year, net of tax (VIII)	**52.20**	**2.16**	**5.03**
Restated total comprehensive income for the year, net of tax (IX)=(VII-VIII)	**7,676.38**	**4,516.40**	**3,205.48**
Restated earnings per share:			
Basic, computed on the basis of profit attributable to equity holders	49.88	29.16	20.72
Diluted, computed on the basis of profit attributable to equity holders	49.88	29.16	20.72

RESTATED STATEMENT OF CASH FLOWS

(in ₹ million, except share data and unless otherwise specified)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities			
Restated profit before tax	**9,928.66**	**6,862.78**	**5,014.65**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation expense	945.87	821.20	783.68
Allowance for credit losses	43.15	10.45	16.22
Bad debts written off	16.16	94.72	12.82
Interest expense	61.50	25.08	31.31
Finance charges on leases	1.01	1.09	1.17
Unrealized foreign exchange (gain)/loss	(222.26)	45.36	(61.10)
Profit on disposal of property, plant and equipment	(173.93)	(0.85)	(0.21)
Interest income	(514.86)	(433.13)	(271.68)
Employee stock option compensation expense	164.84	-	-
Employee separation compensation	-	200.00	-
Operating profit before working capital changes	**10,250.14**	**7,626.70**	**5,526.86**
Movements in working capital:			
Increase in trade receivables	(805.17)	(458.96)	(528.59)
(Increase)/decrease in inventories	1,555.97	(3,990.46)	(1,341.11)
Increase in loans, deposits and others	(6.73)	(7.04)	(3.89)
(Increase)/decrease in other assets	520.57	(296.69)	(1,118.11)
Increase/(decrease) in trade payables and other financial liabilities	(2,146.73)	1,130.12	1,109.21
Increase/(decrease) in provisions and other liabilities	82.67	83.58	(51.84)
Cash generated from operations	**9,450.72**	**4,087.25**	**3,592.53**
Income tax paid (net of refunds)	**(2,441.37)**	**(2,234.70)**	**(1,571.42)**
Net cash flow from operating activities (A)	**7,009.35**	**1,852.55**	**2,021.11**
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,946.62)	(1,357.44)	(851.75)
Proceeds from disposal of property, plant and equipment	238.86	5.45	1.60
Investment in bank deposits (net)	(6,387.49)	(2,187.45)	(2,982.02)
Interest received	434.47	398.05	243.80
Net cash flow used in investing activities (B)	**(7,660.78)**	**(3,141.39)**	**(3,588.37)**
Cash flows from financing activities			
Repayment of long-term borrowings	(5.30)	(4.25)	(4.61)
Payment of interest portion of lease liabilities	(1.01)	(1.09)	(1.17)
Payment towards principal portion of lease liabilities	(0.90)	(0.82)	(0.64)
Proceeds from issue of shares	-	-	3,976.81
Buy back of shares (including tax thereon)	-	-	(3,976.81)
Interest paid	(61.50)	(25.08)	(31.31)
Net cash flows used in financing activities (C)	**(68.71)**	**(31.24)**	**(37.73)**
Net decrease in cash and cash equivalents (A+B+C)	(720.14)	(1,320.08)	(1,604.99)
Effect of exchange differences on cash and cash equivalents held in foreign currency	51.09	(44.31)	2.63
Cash and cash equivalents at the beginning of the year	2,364.02	3,728.41	5,330.77
Cash and cash equivalents at the end of the year	**1,694.97**	**2,364.02**	**3,728.41**
Components of cash and cash equivalents			
Cash on hand	0.67	0.29	0.41
With banks in current account	1,394.70	1,600.77	1,396.03
With banks in deposit account	299.60	762.96	2,331.97
Total cash and cash equivalents for the purpose of restated Ind AS Statement of cash flows	**1,694.97**	**2,364.02**	**3,728.41**

GENERAL INFORMATION

Registered and Corporate Office

Gland Pharma Limited
Sy. No. 143 - 148, 150 and 151
Near Gandi Maisamma 'X' Roads
D.P. Pally, Dundigal, Dundigal - Gandi Maisamma (M)
Medchal-Malkajgiri District
Hyderabad 500 043
Telangana, India
CIN: U24239TG1978PLC002276

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
Tattiannaram Nagole, Bandlaguda
Hyderabad 500 068

Company Secretary and Compliance Officer

Sampath Kumar Pallerlamudi
Sy. No. 143 – 148, 150 and 151
Near Gandi Maisamma 'X' Roads
D.P. Pally, Dundigal, Dundigal – Gandi Maisamma (M)
Medchal-Malkajgiri District
Hyderabad 500 043
Telangana, India
Tel: +91 40 3051 0999
E-mail: investors@glandpharma.com

Board of Directors

As on the date of this Draft Red Herring Prospectus, our Board of Directors of the Company comprises the following:

Name	Designation	DIN	Address
Yiu Kwan Stanley Lau	Chairman and Independent Director	08455325	232 Lakeside Ville Lane 15, 17 Huqingping Road, Shanghai 201 702, China
Srinivas Sadu	MD and CEO	06900659	H. No. 44-108/MIG-31, APIIC Colony, Moulali, Hyderabad 500 040, Telangana, India
Qiyu Chen	Non-Executive Nominee Director	07675421	Room 8-D, No. 98, West Guangyuan Road, Shanghai 200 030, China
Dongming Li	Non-Executive Nominee Director	08047543	RM. 2601, No.93, Lane 99, Zhongtan Road, Putuo District, Shanghai 200 061, China
Xiaohui Guan	Non-Executive Nominee Director	07675466	Room 201, No. 26, Lane 1001 South Henan Road, Huangpu District, Shanghai 200 011, China
Yiran Peng	Non-Executive Nominee Director	07675475	Room 203, No. 3, Lane 1141, Taolin Rd., Pudong New Area, Shanghai 200 135, China
Udo Johannes Vetter	Non-Executive Nominee Director	00707474	Banneggstr, 57 Ravensburg, Ravensburg 0088214, Germany
Moheb Ali Mohammed	Independent Director	00699254	H. No. 8-2-676/B/2/12, Plot No.48 Sai Nagar Colony, Road No. 13, Banjara Hills, Hyderabad 500 034, Telangana, India
Satyanarayana Murthy Chavali	Independent Director	00142138	2-293/82/A/408, Plot No.408, Road No-22A, Jubilee Hills, Shaikpet, Hyderabad 500 033, Telangana, India

For further details of our Board of Directors, see "*Our Management*" on page 150.

Filing of this Draft Red Herring Prospectus

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD".

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, 2013 would be filed with the Registrar of Companies, Telangana at Hyderabad, India and a copy of the Prospectus shall be filed under Section 26 of the Companies Act, 2013 with the RoC.

Book Running Lead Managers

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

Citigroup Global Markets India Private Limited
1202, First International Financial Center
Bandra Kurla Complex, Bandra (East)
Mumbai 400 098
Maharashtra, India
Tel: +91 22 6175 9999
E-mail: glandpharma.ipo@citi.com
Investor grievance e-mail: investors.cgmib@citi.com
Website: www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm
Contact Person: Ashish Guneta
SEBI Registration No: INM000010718

Haitong Securities India Private Limited
1203A, Floor 12A, Tower 2A, One Indiabulls Centre
841, Senapati Bapat Marg, Elphinstone Road
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4315 6857
E-mail: gland.pharma.ipo@htisec.com
Investor grievance e-mail: India.Compliance@htisec.com
Website: http://www.htisec.com/en-us/haitong-india
Contact Person: Ritesh Khetan
SEBI Registration No: INM000012045

Nomura Financial Advisory and Securities (India) Private Limited
Ceejay House, Level 11 Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: +91 22 4037 4037
E-mail: glandpharmaipo@nomura.com
Investor grievance e-mail: investorgrievances-in@nomura.com
Website: https://www.nomuraholdings.com/company/group/asia/india/index.html
Contact Person: Vishal Kanjani / Kshitij Thakur
SEBI Registration No: INM000011419

Syndicate Members

[●]

Legal Counsel to the Company and the Other Selling Shareholders as to Indian Law

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Towers
19, Brunton Road
Bengaluru 560 025, Karnataka
India
Tel: +91 80 6792 2000

Legal Counsel to the BRLMs as to Indian Law

S&R Associates
One Indiabulls Centre, 1403 Tower 2 B
841, Senapati Bapat Marg, Lower Parel
Mumbai 400 013, Maharashtra
India
Tel: +91 22 4302 8000

International Legal Counsel to the BRLMs

Herbert Smith Freehills LLP
50 Raffles Place
#24-01 Singapore Land Tower
Singapore 048 623
Tel: +65 6868 8000

Legal Counsel to the Promoter Selling Shareholder as to Indian Law

Khaitan & Co
One Indiabulls Centre
10th and 13th Floor, Tower 1
841, Senapati Bapat Marg
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6636 5000

Statutory Auditors to our Company

S.R. Batliboi & Associates LLP
The Skyview, 10 Zone B, 18th Floor
Survey 83/1, Raidurgam
Hyderabad 500 032
Telangana, India
Tel: +91 40 6141 6000
Email: srba@srb.in
Firm Registration Number: 101049W / E300004
Peer Review Certificate Number: 011169

There have been no changes in our auditors in the last three years.

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor
247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
E-mail: glandpharma.ipo@linkintime.co.in
Investor grievance email: glandpharma.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Bank(s)

[●]

Sponsor Bank

[●]

Bankers to the Company

HDFC Bank Limited
HDFC Bank Limited, FIG-OPS Department- Lodha
I Think Techno Campus O-3 Level
Next to Kanjurmarg, Railway Station
Kanjurmarg (East), Mumbai 400 042
Tel: +91 22 3075 2927/28/2914
E-mail: Vincent.Dsouza@hdfcbank.com/
Siddharth.Jadhav@hdfcbank.com/
Prasanna.Uchil@hdfcbank.com
Website: www.hdfcbank.com

State Bank of India
Bowrampet Branch (20437)
S.S. Complex, Gandimaisamma, X Road
Hyderabad 500 043
Tel: +91 8418 255069/255068
E-mail:sbi.20437@sbi.co.in
Website: www.sbi.co.in

Canara Bank (e-Syndicate Bank)
Large Corporate Branch
6-3-666, Lumbini Towers
I Floor, Somajiguda
Hyderabad 500 082
Tel: +91 40 2331 1374
E-mail: cb13049@canarabank.com
Website: www.canarabank.com

The Hongkong and Shanghai Banking Corporation Limited
6-3-1107 and 1108
Raj Bhavan Road
Somaji Guda
Hyderabad 500 082
Telangana
Tel: +91 95353 57492
E-mail: satyamagarwal@hsbc.co.in
Website: www.hsbc.co.in

Standard Chartered Bank
3rd Floor, Vaishnavi Serenity
112, Koramangala Indl Area
5th Block, Koramangala
Bangalore 560 095, India
Tel: +91 80 6707 9452
E-mail: Rajesh.Bhakoo@sc.com
Website: www.standardchartered.com

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 https://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 RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as 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 is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) 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 http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes 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 BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, 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 Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated July 10, 2020 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 Auditors, and in respect of their (i) examination report, dated June 18, 2020 on our Restated Financial Information; and (ii) their report dated July 8, 2020 on the statement of tax benefits 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.

In addition, our Company has received written consent dated June 10, 2020 from K.V. Sastry, Chartered Engineer, as chartered engineer to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of his certificate dated June 10, 2020 on the Company's manufacturing capacity and its utilization at certain manufacturing facilities, and written consent dated June 3, 2020 from Rajeshwari & Associates, Trademark and Patent Attorneys, as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated June 3, 2020 on the (i) patent and trademark filings and registrations; and (ii) product filings and registrations of the Company in India and certain other jurisdictions , and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a monitoring agency prior to the filing of the Red Herring Prospectus in accordance with Regulation 41 of SEBI ICDR Regulations.

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, there is no credit rating required for the Offer.

IPO Grading

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

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.

Inter-se allocation of responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities among the BRLMs:

S. No	Activity	Responsibility	Coordinator
1.	Capital structuring, positioning strategy and 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	Kotak, Citi, Haitong, Nomura	Kotak
2.	Drafting and approval of all statutory advertisement	Kotak, Citi, Haitong, Nomura	Kotak
3.	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	Kotak, Citi, Haitong, Nomura	Haitong
4.	Appointment of Intermediaries i.e., Registrar, advertising agency, printers, Banker(s) to the Offer, Monitoring Agency and other intermediaries, including coordination of all agreements to be entered into with such intermediaries	Kotak, Citi, Haitong, Nomura	Haitong
5.	Preparation of road show presentation	Kotak, Citi, Haitong, Nomura	Citi
6.	Preparation of frequently asked questions	Kotak, Citi, Haitong, Nomura	Nomura
7.	International Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule	Kotak, Citi, Haitong, Nomura	Citi
8.	Domestic Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule	Kotak, Citi, Haitong, Nomura	Haitong
9.	Retail marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres	Kotak, Citi, Haitong, Nomura	Kotak
10.	Non-Institutional marketing of the Offer, which will cover, inter alia: • Finalizing media, marketing and public relations strategy; • Finalizing centres for holding conferences for brokers, etc.;	Kotak, Citi, Haitong, Nomura	Nomura
11.	Managing the book and finalization of pricing in consultation with the Company	Kotak, Citi, Haitong, Nomura	Citi
12.	Coordination with Stock-Exchanges for book building software, bidding terminals, mock trading, payment of 1% security deposit, anchor coordination and intimation of anchor allocation.	Kotak, Citi, Haitong, Nomura	Nomura
13.	Post- Offer activities, which shall involve essential follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising our 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, SCSBs including responsibility for underwriting arrangements, as applicable. Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post closure of the Offer.	Kotak, Citi, Haitong, Nomura	Citi

Book Building Process

Book Building Process, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band, and minimum Bid Lot size will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu daily newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate 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. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the RIBs may participate through the ASBA process by either (a) providing the details of

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

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 285 and 288, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure"* on page 288.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued and offered in 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:

(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 Email Address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalised after pricing of the Offer, the Basis of Allotment and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the 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 [●], has 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 subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per 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)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL**[(1)]	**563,000,000**	
	500,000,000 Equity Shares of ₹1 each	500,000,000	-
	5,100,000 CCPS of ₹10 each	51,000,000	
	1,200,000 RCPS of ₹10 each	12,000,000	
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	154,949,490 Equity Shares of ₹1 each	154,949,490	-
C.	**PRESENT OFFER**		
	Offer of up to [●] Equity Shares aggregating up to ₹[●] million[(2)]	[●]	[●]
	Of which		
	Fresh Issue of up to [●] Equity Shares[(2)]	[●]	12,500,000,000
	Offer for Sale of up to 34,863,635 Equity Shares by the Selling Shareholders[(3)]	34,863,635	[●]
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of face value of ₹1 each	[●]	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer		5,889,941,636
	After the Offer		[●]

* *To be included upon finalisation of Offer Price*

(1) *For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to the Memorandum of Association" on page 144.*

(2) *The Fresh Issue has been authorized by our Board of Directors pursuant to a resolution passed on November 1, 2019, and by our Shareholders pursuant to the special resolution passed on June 23, 2020.*

(3) *Each Selling Shareholder confirms that its respective portion of the Offered Shares has been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly, are eligible for being offered for sale in the Offer in accordance with the provisions of the SEBI ICDR Regulations. Each of the Selling Shareholders have confirmed and authorized their respective participation in the Offer for Sale. For details on the authorization by each Selling Shareholder in relation to the Offered Shares, see "The Offer" on page 50.*

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	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
March 21, 1978	2	100	100	Cash	Initial subscription to MoA[(1)]	2	200
August 14, 1978	2,500	100	100	Cash	Further issue[(2)]	2,502	250,200
December 3, 1979	2,498	100	100	Cash	Further issue[(3)]	5,000	500,000
July 22, 1981	1,000	100	N/A	N/A	Conversion of loan[(4)]	6,000	600,000
December 31, 1984	4,000	100	100	Cash	Further issue[(5)]	10,000	1,000,000
December 21, 1987	2,500	100	100	Cash	Further issue[(6)]	12,500	1,250,000
February 15, 1994	12,500	100	-	N/A	Bonus issue in the ratio of one bonus equity share for	25,000	2,500,000

Date of allotment[#]	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital
					every one equity share held in the Company[(7)]		
October 31, 1994	12,500	100	-	N/A	Bonus issue in the ratio of one bonus equity share for every two equity shares held in the Company[(8)]	37,500	3,750,000
December 5, 1994	Sub-division of equity shares of face value of ₹100 each to equity shares of face value of ₹10 each					375,000	3,750,000
April 20, 1995	1,625,000	10	10	Cash	Further issue[(9)]	2,000,000	20,000,000
June 26, 1996	570,000	10	25	Cash	Preferential allotment[(10)]	2,570,000	25,700,000
July 30, 1996	860,500	10	25	Cash	Preferential allotment[(11)]	3,430,500	34,305,000
March 24, 1997	697,800	10	25	Cash	Preferential allotment[(12)]	4,128,300	41,283,000
November 21, 1997	200,000	10	32	Cash	Preferential allotment[(13)]	4,328,300	43,283,000
December 31, 1997	389,900	10	32	Cash	Preferential allotment[(14)]	4,718,200	47,182,000
March 31, 1998	69,500	10	32	Cash	Preferential allotment[(15)]	4,787,700	47,877,000
July 27, 2000	2,000,000	10	40	Cash	Rights issue in the ratio of one equity share for every one equity share held in the Company[(16)]	6,787,700	67,877,000
January 31, 2001	1,510,000	10	40	Cash	Preferential allotment[(17)]	8,297,700	82,977,000
February 8, 2001	1,200,000	10	40	Cash	Preferential allotment[(18)]	9,497,700	94,977,000
March 20, 2001	177,400	10	40	Cash	Preferential allotment[(19)]	9,675,100	96,751,000
September 1, 2007	29,500	10	40	Cash	Preferential allotment[(20)]	9,704,600	97,046,000
December 22, 2007	2,053,894	10	486.88	Cash	Preferential allotment[(21)]	11,758,494	117,584,940
July 14, 2014	(2,223,000)	10	1,398.14	Cash	Buy-back[(22)]	9,535,494	95,354,940
August 1, 2014	4,339,564	10	N/A	Cash*	Conversion of CCPS into equity shares[(23)]	13,875,058	138,750,580
August 1, 2014	1,100,000	10	N/A	Cash*	Conversion of RCPS into equity shares[(24)]	14,975,058	149,750,580
August 26, 2014	697,391	10	N/A	Cash*	Conversion of CCPS into equity shares[(25)]	15,672,449	156,724,490
August 28, 2015	(177,500)	10	1,398.50	Cash	Buy-back[(26)]	15,494,949	154,949,490
October 3, 2017	(942,500)	10	3,444.05	Cash	Buy-back[(27)]	14,552,449	145,524,490
February 7, 2018	942,500	10	N/A	Cash*	Conversion of CCPS into equity shares[(28)]	15,494,949	154,949,490
March 17, 2020	Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each					154,949,490	154,949,490

** Cash was paid at the time of allotment of the CCPS and/or RCPS, as applicable*

(1) One equity share each was allotted to M. Venkatapathi Raju and P.R.K.A. Raju

(2) *Allotment of 1,000 equity shares to M. Venkatapathi Raju, 960 equity Shares to M. Sitarama Raju, 290 equity shares to M. Vijaya Lakshmi, 50 equity shares to P.R.K.A. Raju and 200 equity shares to M.A. Raju. These equity shares were partly paid up as on the date of allotment, and were subsequently made fully paid up*

(3) *Allotment of 1,000 equity shares to M.V. Kakkar and 1,498 equity shares to A. Pawan Kumar Reddy. These equity shares were partly paid up as on the date of allotment, and were subsequently made fully paid up#*

(4) *Allotment of 1,000 equity shares to Gland Chemicals Private Limited by converting part of the total loan outstanding of more than ₹140,000 payable to Gland Chemicals Private Limited*

(5) *Allotment of 1,000 equity shares each to B.V. Ramana Rao, K. Jhansi Lakshmi and Sagi N. Raju and 200 equity shares each to Chitturi Santa, Achanta Aruna Kumari, Koduri Ramakrishna, Koduri Surya Rao and Koduri Satyamurthy. These equity shares were partly paid up as on the date of allotment, and were subsequently made fully paid up#*

(6) *Allotment of 2,500 equity shares to Gland Chemicals Private Limited*

(7) *Allotment of 5,000 equity shares to Gland Chemicals Private Limited, 2,010 equity shares to Ravindranath Penmetsa, 590 equity shares to P.V.N. Raju, 300 equity shares to P. Suryakantham, 1,300 equity shares to K. Jhansi Lakshmi, 200 equity shares to K. Aravind Raju, 1,000 equity shares to S. Kanaka Durga, 250 equity shares to Sagi N. Raju, 150 equity shares to P. Tirumala Raju, 100 equity shares to M. Subba Raju, 700 equity shares to B.T. Kumar, 500 equity shares to B.V.S. Sagar and 400 equity shares to B. Bhaskaramma*

(8) *Allotment of 5,000 equity shares to Gland Chemicals Private Limited, 2,010 equity shares to Ravindranath Penmetsa, 590 equity shares to P.V.N. Raju, 300 equity shares to P. Suryakantham, 1,300 equity shares to K. Jhansi Lakshmi, 200 equity shares to K. Aravind Raju, 1,000 equity shares to S. Kanaka Durga, 250 equity shares to Sagi N. Raju, 150 equity shares to Tirumala Raju, 100 equity shares to M. Subba Raju, 700 equity shares to B.T. Kumar, 500 equity shares to B.V.S. Sagar and 400 equity shares to B. Bhaskaramma*

(9) *Allotment of 1,554,400 equity shares to Gland Celsus Bio Chemicals Private Limited, 48,000 equity shares to V. Krishnaveni, 6,000 equity shares to V. Pratap Raju and 8,300 equity shares each to Shabbir Taher Chass and Kuresh Taher Chass. These equity shares were partly paid up as on the date of allotment, and were subsequently made fully paid up#*

(10) *Allotment of 430,000 equity shares to Unit Trust of India (A/c Vecaus – I) and 140,000 equity shares to APIDC Venture Capital Limited*

(11) *Allotment of 375,000 equity shares to Helmut Vetter, 96,300 equity shares each to Udo Johannes Vetter and Klaus Schoenwetter, 100,000 equity shares to Rajiv Dutta, 42,200 equity shares to V Krishna Veni, 49,900 equity shares to Smith Barney as individual retirement arrangement (the **"IRA"**) custodian for the benefit of Heidi B. Duerbeck, 15,400 equity shares to Heidi B. Duerbeck and 85,400 equity shares to Smith Barney as IRA custodian for the benefit of Jenik Radon*

(12) *Allotment of 524,800 equity shares to Helmut Vetter jointly with Jenik Radon, 59,900 equity shares to Heidi B. Duerbeck, 73,100 equity shares to Kaara Radon and 40,000 equity shares to Donald Hugh Keenan*

(13) *Allotment of 200,000 equity shares to Unit Trust of India (A/c Vecaus – I)*

(14) *Allotment of 359,400 equity shares to APIDC Venture Capital Limited and 30,500 equity shares to Donald Hugh Keenan*

(15) *Allotment of 69,500 equity shares to Radha Raju Vegesna*

(16) *Allotment of 280,000 equity shares each to Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investments Private Limited, Hi-Sound Investments Private Limited and Veeyes Investments Private Limited, 15,900 equity shares to S. Kanaka Durga, 275,200 equity shares to Gland Celsus Bio-Chemicals Private Limited, 39,400 to Radha Raju Vegesna and 269,500 equity shares to VP. Raju*

(17) *Allotment of 200,000 equity shares each to Jeshta Farms Private Limited, Satabisha Agro Private Limited, Sravana Agro Private Limited, Rohini Bio-Tech Private Limited, Chitta Farms Private Limited, Punarvasu Bio-Tech Private Limited and Hastha Agro-Tech Private Limited and 110,000 equity shares to Gland Celsus Bio-Chemicals Private Limited*

(18) *Allotment of 1,200,000 equity shares to Deg Deutsche Investitions, unduent Wicklings, Geseuschft MBH- Germany*

(19) *Allotment of 51,100 equity shares to Udo Johannes Vetter, 38,700 equity shares each to Bianca Maria Vetter and Corneli Vetter Kerkhoff, 36,500 equity shares to Jenik Radon and 12,400 equity shares to Klaus Schoenwetter*

(20) *Allotment of 29,500 equity shares to Radha Raju Vegesna*

(21) *Allotment of 2,053,894 equity shares to EILSF Co-Invest I LLC*

(22) *Buy back of 280,000 equity shares from SNR Investments Private Limited, 200,000 equity shares each from Jeshta Farms Private Limited, Satabisha Agro Private Limited, Sravana Agro Private Limited, Rohini Bio-Tech Private Limited, Chitta Farms Private Limited, Punarvasu Bio-Tech Private Limited, Hastha Agro-Tech Private Limited, and Vishnupadi Greenlands Private Limited, 210,000 equity shares from Hansagiri Greenlands Private Limited and 133,000 equity shares from Arunagiri Agro-Farms Private Limited by our Company*

(23) *Allotment of 2,789,564 equity shares to KKR Floorline Investments Pte Ltd and 1,550,000 equity shares to Gland Celsus Bio Chemicals Private Limited upon conversion of 2,789,564 CCPS and 1,550,000 CCPS held by them respectively*

(24) *Allotment of 1,100,000 equity shares to Gland Celsus Bio Chemicals Private Limited upon conversion of 1,100,000 RCPS held by it*

(25) *Allotment of 697,391 equity shares to KKR Floorline Investments Pte Ltd upon conversion of 697,391 CCPS held by it*

(26) *Buy back of 177,500 equity shares from Veeyes Investments Private Limited*

(27) *Buy back of 280,000 equity shares each from Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investments Private Limited and Veeyes Investments Private Limited*

(28) *Allotment of 942,500 equity shares to Fosun Singapore upon conversion of 942,500 CCPS held by it*

 # Corporate secretarial records and other records in relation to certain allotments, balance calls made and sub-division of the equity shares of our Company from 1994 to 2007 are not traceable. For further details, see "Risk Factors - Our Company was incorporated in 1978 and we are unable to trace some of our historical corporate records and letters from the RBI. We cannot assure you that no legal proceedings or regulatory actions will be initiated against our Company in future in relation to the missing corporate records and letters from the RBI, which may impact our financial condition and reputation" on page 33

(ii) ***Preference Share capital***

As of the date of this Draft Red Herring Prospectus, our Company does not have any outstanding preference share capital.

2. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Our Company has not issued any Equity Shares at a price that may be lower than the Offer Price during the last one year.

3. **Issue of shares for consideration other than cash or by way of bonus issue or out of revaluation reserves**

(i) Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

(ii) Except as stated below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue, as on the date of this Draft Red Herring Prospectus:

Date of allotment	No. of Equity Shares allotted	Face Value per Equity Share (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company
July 22, 1981	1,000	100	N/A	Conversion of loan[(1)]	Nil
February 15, 1994	12,500	100	-	Bonus issue in the ratio of one bonus equity share for every one equity share held in the Company[(2)]	Nil
October 31, 1994	12,500	100	-	Bonus issue in the ratio of one bonus equity share for every two equity shares held in the Company[(3)]	Nil

(1) Allotment of 1,000 equity shares to Gland Chemicals Private Limited by converting part of the total loan outstanding of more than ₹140,000 payable to Gland Chemicals Private Limited

(2) Allotment of 5,000 equity shares to Gland Chemicals Private Limited, 2,010 equity shares to Ravindranath Penmetsa, 590 equity shares to P.V.N. Raju, 300 equity shares to P. Suryakantham, 1,300 equity shares to K. Jhansi Lakshmi, 200 equity shares to K. Aravind Raju, 1,000 equity shares to S. Kanaka Durga, 250 equity shares to Sagi N. Raju, 150 equity shares to P. Tirumala Raju, 100 equity shares to M. Subba Raju, 700 equity shares to B.T. Kumar, 500 equity shares to B.V.S. Sagar and 400 equity shares to B. Bhaskaramma

(3) Allotment of 5,000 equity shares to Gland Chemicals Private Limited, 2,010 equity shares to Ravindranath Penmetsa, 590 equity shares to P.V.N. Raju, 300 equity shares to P. Suryakantham, 1,300 equity shares to K. Jhansi Lakshmi, 200 equity shares to K. Aravind Raju, 1,000 equity shares to S. Kanaka Durga, 250 equity shares to Sagi N. Raju, 150 equity shares to Tirumala Raju, 100 equity shares to M. Subba Raju, 700 equity shares to B.T. Kumar, 500 equity shares to B.V.S. Sagar and 400 equity shares to B. Bhaskaramma

For further details, please see "- *Share Capital History of our Company"* and *"History and Certain Corporate Matters"* on pages 61 and 144, respectively.

4. **Issue of Equity Shares pursuant to schemes of arrangement**

Our Company has not allotted any Equity Shares in terms of any scheme of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230-234 of the Companies Act, 2013.

5. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Red Herring Prospectus, Fosun Singapore (including through its nominees) holds an aggregate of 114,662,620 Equity Shares, aggregating to 74.00% of the issued, subscribed and paid-up Equity Share capital of our Company.

Shanghai Fosun Pharma does not directly hold any Equity Shares of our Company. Shanghai Fosun Pharma directly holds 100% of the share capital of Fosun Industrial Co., Limited, which holds 100% of the share capital of Fosun Singapore. For further details, see "*Our Promoters and Promoter Group*" on page 168.

a. **Build-up of the shareholding of our Promoters in our Company**

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

Date of transfer/ allotment of equity shares/ date when fully-paid up	No. of equity shares allotted/ transferred	Nature of transaction	Nature of consideration	Face Value per equity share (₹)	Transfer price/ issue price per equity share (₹)	Percentage of the pre-Offer capital (%)*^	Percentage of the post-Offer capital (%)*^
October 3, 2017	5,317,167	Transfer of Equity Shares to Fosun Singapore(1)	Cash	10	6,513.17	34.32	[●]
October 3, 2017	2,020,141	Transfer of Equity Shares to Fosun Singapore(2)	Cash	10	6,499.29	13.04	[●]
October 3, 2017	700,622	Transfer of Equity Shares to Fosun Singapore(3)	Cash	10	6,523.65	4.52	[●]
October 3, 2017	318,366	Transfer of Equity Shares to Fosun Singapore(4)	Cash	10	6,540.63	2.05	[●]
October 3, 2017	211,066	Transfer of Equity Shares to Fosun Singapore(5)	Cash	10	6,527.64	1.36	[●]
October 3, 2017	200,900	Transfer of Equity Shares to Fosun Singapore(6)	Cash	10	6,525.64	1.30	[●]
October 3, 2017	190,000	Transfer of Equity Shares to Fosun Singapore(7)	Cash	10	6,540.63	1.23	[●]
October 3, 2017	12,000	Transfer of Equity Shares to Fosun Singapore(8)	Cash	10	6,527.49	Negligible	[●]
October 3, 2017	1,106,100	Transfer of Equity Shares to Fosun Singapore(9)	Cash	10	4,207.82	7.15	[●]
October 3, 2017	447,396	Transfer of Equity Shares to Fosun Singapore(10)	Cash	10	4207.86	2.89	
October 3, 2017	4	Transfer of Equity Shares to nominees of Fosun Singapore(11)	Cash	10	4,207.81	Negligible	[●]
February 7, 2018	942,500	Conversion of CCPS into Equity Shares(12)	Cash*	10	N/A	6.08	[●]
March 17, 2020	Subdivision of the face value of equity shares from ₹10 to ₹1 each		-	1	-	-	**[●]**
Total	**114,662,620#**					**74.00**	**[●]**

**Cash equivalent to ₹4229.43 per CCPS was paid at the time of allotment of CCPS*

^Adjusted for subdivision of face value of Equity Shares, as applicable

#Including 10 Equity Shares each, which are held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Ltd., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares

(1) Transfer of 5,317,167 equity shares from KKR Floorline Investment Pte Ltd to Fosun Singapore.

(2) Transfer of 2,020,141 equity shares from Gland Celsus Bio Chemicals Private Limited to Fosun Singapore

(3) Transfer of 350,000 equity shares from Ethigen Labs Private Limited to Fosun Singapore and 350,622 equity shares from Questar Laboratories Private Limited to Fosun Singapore

(4) Transfer of 318,366 equity shares from RP Advisory Services Private Limited as trustee of the Odin Discretionary Trust to Fosun Singapore

(5) Transfer of 211,066 equity shares from RP Advisory Services Private Limited as trustee of Nilay Discretionary Trust to Fosun Singapore

(6) Transfer of 200,900 equity shares from P.V.N. Raju and K. Jhansi Lakshmi as trustees of the Surya Trust to Fosun Singapore

(7) Transfer of 190,000 Equity Shares from the trustees of Rivendell Discretionary Trust to Fosun Singapore

(8) Transfer of 12,000 equity shares from K. Jhansi Lakshmi to Fosun Singapore

(9) Transfer of 338,600 equity shares from Cornelia Vetter Kerkhoff, 338,600 equity shares from Bianca Maria Vetter, 108,700 equity shares from Klaus Schoenwetter and 320,200 equity shares from Kaara Radon to Fosun Singapore

(10) Transfer of 447,396 equity shares from Udo J. Vetter to Fosun Singapore

(11) Transfer of one Equity Share each from Udo Johannes Vetter to Lustrous Star Limited, Regal Gesture Limited, Ample Up Limited, Fosun Industrial Co., Limited. who hold such equity shares as nominees of Fosun Singapore

(12) Allotment of 942,500 equity shares to Fosun Singapore upon conversion of 942,500 CCPS held by it

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

As of the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

b. **Details of Promoter's contribution and lock-in**

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters (assuming full conversion of vested options, if any, under the ESOP Plan 2019 and ESOP Scheme 2019), shall be locked in for a period of three years as minimum Promoter's contribution from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of one year from the date of Allotment.

(ii) Details of the Equity Shares held by our Promoter to be locked-in for three years from the date of Allotment as minimum Promoter's contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/transfer of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Offer/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Fosun Singapore	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]

Note: Will be updated in the Prospectus

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

(iv) Our Promoter, Fosun Singapore, has given its consent to include such number of Equity Shares held by it as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution as required under the SEBI ICDR Regulations.

(v) In this connection, please note that:

(a) The Equity Shares offered for Promoter's contribution do not include (i) Equity Shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction, or (ii) Equity Shares resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares, which are otherwise ineligible for computation of minimum Promoter's contribution.

(b) The minimum Promoter's contribution does not include any Equity Shares acquired during the immediately preceding one year 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 one or more partnership firms or a limited liability partnership firm.

(d) The Equity Shares forming part of the Promoter's contribution are not subject to any pledge.

c. **Other lock-in requirements:**

(i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment except for (i) the Equity Shares offered pursuant to the Offer for Sale; (ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been or will be allotted to them under the ESOP Plan 2019 and ESOP Scheme 2019; 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 one year from the date of purchase by the VCFs or Category I AIF or Category II AIF or FVCI.

Our Company has filed exemption application dated July 10, 2020 with SEBI, seeking exemption from the strict applicability of certain provisions of Regulation 17 of the SEBI ICDR Regulations specifically in relation to the lock-in of the 6,000,000 Equity Shares held by the Existing Investors for a period of one year

from the date of allotment in the Offer. For details, see "*Risk Factors - There are certain outstanding legal proceedings involving our Equity Shares. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.*"

(ii) Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's contribution from the date of filing the Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iii) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(iv) The Equity Shares held by any person other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer 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 such transferees shall not be eligible to transfer until the expiry of the lock-in period) and compliance with the Takeover Regulations.

Shareholding Pattern of our Company

The table below presents the equity 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+C2)	Number of Voting Rights held in each class of securities (IX)			Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights		Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class: Equity Shares	Total								
(A)	Promoters and Promoter Group	5*	114,662,620*	-	-	114,662,620*	74	114,662,620*	74.00	74.00	-	-	-		-		114,662,580
(B)	Public	19	40,286,870#	-	-	40,286,870	26	40,286,870	26.00	26.00	-	-	-		-		34,211,870
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-		-		-
	Total	24	154,949,490	-	-	154,949,490	100	154,949,490	100	100	-	-	-		-		148,874,450

**Including 10 Equity Shares each, which are held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Limited, as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares*

#Includes 6,000,000 Equity Shares held by the Existing Investors which are attached by the Deputy Director, Directorate of Enforcement, Government of India under the provisions of the Prevention of Money Laundering Act, 2002. For details, see "Risk Factors - There are certain outstanding legal proceedings involving our Equity Shares. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations."

7. **Details of Equity Shareholding of the major Shareholders of our Company**

(i) The major Equity 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^ on a fully diluted basis	Percentage of the pre- Offer Equity Share^ capital (%) on a fully diluted basis
1.	Fosun Singapore	114,662,620*	74.00
2.	Gland Celsus	20,094,870	12.97
3.	Empower Trust	7,865,000	5.08
4.	Nilay Trust	3,749,000	2.42
	Total	**146,371,490**	**94.47**

^Equity Share of face value of ₹1 each
** Including 10 Equity Shares each, which are held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Ltd., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares*

(ii) The major Equity 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^ on a fully diluted basis	Percentage of the pre-Offer Equity Share^ capital (%) on a fully diluted basis
1.	Fosun Singapore	114,662,620*	74.00
2.	Gland Celsus	20,094,870	12.97
3.	Empower Trust	7,865,000	5.08
4.	Nilay Trust	3,749,000	2.42
	Total	**146,371,490**	**94.47**

^Equity Share of face value of ₹1 each
** Including 10 Equity Shares each, which are held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Ltd., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares*

(iii) The major equity 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^ on a fully diluted basis	Percentage of the pre-Offer equity share^ capital (%) on a fully diluted basis
1.	Fosun Singapore	11,466,262*	74.00
2.	Gland Celsus	2,009,487	12.97
3.	Empower Trust	786,700	5.08
4.	Nilay Trust	375,000	2.42
	Total	**14,637,449**	**94.47**

^Equity share of face value of ₹10 each
**Including one equity share each, which were held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Limited., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such equity shares*

(iv) The major equity 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^ on a fully diluted basis	Percentage of the pre-Offer equity share^ capital (%) on a fully diluted basis
1.	Fosun Singapore	11,466,262*	74.00
2.	Gland Celsus	2,009,487	12.97
3.	Empower Trust	786,700	5.08

Sr. No.	Name of the Shareholder	Number of equity shares^ on a fully diluted basis	Percentage of the pre-Offer equity share^ capital (%) on a fully diluted basis
4.	Nilay Trust	375,000	2.42
	Total	**14,637,449**	**94.47**

^Equity share of face value of ₹10 each

**Including one equity share each, which were held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Limited., as nominees on behalf of Fosun Singapore, which is the beneficial owner of such equity shares*

8. **Details of Equity Shares held by our Directors, Key Managerial Personnel, Promoter Group and directors of our Promoter**

(i) Except as stated below, our Directors do not hold any Equity Shares or employee stock options in our Company.

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding*	Percentage of the post-Offer of Equity Share Capital (%)
1.	Srinivas Sadu	Nil	Nil	240,000	[●]
Total		Nil	Nil	240,000	[●]

**Post sub-division of Equity Shares on March 17, 2020*

(ii) Set out below are details of the Equity Shares and employee stock options held by certain of the Key Managerial Personnel in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding*	Percentage of the post-Offer of Equity Share Capital (%)
1.	Srinivas Sadu	Nil	Nil	240,000	[●]
2.	K V G K Raju	Nil	Nil	100,000	[●]
3.	C S Venkatesan	Nil	Nil	100,000	[●]
4.	Prakash Baliga	Nil	Nil	45,000	[●]
5.	Surapanini Sridevi	Nil	Nil	40,000	[●]
6.	Ashish Adhikari	Nil	Nil	20,000	[●]
7.	Sampath Kumar Pallerlamudi	Nil	Nil	16,000	[●]
8.	Shilpi Sahay	Nil	Nil	14,000	[●]
9.	Susheel Ogra	Nil	Nil	12,000	[●]
Total		**Nil**	**Nil**	**587,000**	**[●]**

**Post sub-division of Equity Shares on March 17, 2020*

(iii) Set out below are the details of the Equity Shares held by our Promoters and the members of our Promoter Group (other than the Promoters) in our Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Percentage of the post-Offer Equity Share Capital (%)
Promoters				
1.	Fosun Singapore	114,662,580	74.00	[●]
Total (A)		**114,662,580**	**74.00**	[●]
Promoter Group				
a.	Fosun Industrial Co., Limited	10*	Negligible	[●]
b.	Ample Up Limited	10*	Negligible	[●]
c.	Regal Gesture Limited	10*	Negligible	[●]
d.	Lustrous Star Limited	10*	Negligible	[●]
Total (B)		**40**	**Negligible**	[●]
Total (C=A+B)		**114,662,620**	**74.00**	[●]

**Held by such companies as nominees on behalf of Fosun Singapore, which is the beneficial owner of such Equity Shares*

The directors of our Promoters do not hold any Equity Shares in our Company.

9. None of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

10. 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.

11. Our Company has not made any public issue since its incorporation, and has not made any rights issue of any kind or class of securities since its incorporation, other than as disclosed in "- *Share Capital History of our Company*" on page 61.

12. Our Company has not made any bonus issue of any kind or class of securities since its incorporation other than as disclosed in "- *Share Capital History of our Company*" on page 61.

13. **ESOP Plan 2019 and the ESOP Scheme 2019**

Our Company, pursuant to the resolutions passed by the Board and the Shareholders of the Company on March 20, 2019 and May 24, 2019, respectively, adopted the ESOP Plan 2019 and the ESOP Scheme 2019. The maximum number of shares that may be issued pursuant to the exercise of options granted to participants under the ESOP Plan 2019 and the ESOP Scheme 2019 shall not exceed 17,044,400 shares. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. The maximum number of Equity Shares that may be issued on the exercise of all outstanding options granted under the ESOP Plan 2019, the ESOP Scheme 2019 and any other share option plan or scheme of the Company, shall not exceed 30.00% of the number of relevant class of shares from time to time. Further the ESOP Scheme 2019 provides that the maximum number of options granted to any grantee shall not exceed 1.00% of the number of relevant class of shares in issue (excluding outstanding warrants and conversions) at the date of the grant. The objectives of ESOP Plan 2019 and the ESOP Scheme 2019 are, among others to reward employees for past as well as future performance, link interest of employees with Shareholders, foster ownership and reward for loyalty. The ESOP Plan 2019 and the ESOP Scheme 2019 have been framed in compliance with the SEBI SBEB Regulations. As on the date of the Draft Red Herring Prospectus, 1,549,500 options have been granted by our Company under the ESOP Plan 2019 and the ESOP Scheme 2019. The details of the ESOP Plan 2019 and the ESOP Scheme 2019 are as follows:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>
<table>
<tr><th>Fiscal/ Period</th><th>Total No. of Options Granted</th></tr>
<tr><td>Fiscal 2020</td><td>154,950</td></tr>
<tr><td>April 1, 2020 to July 10, 2020</td><td>Nil</td></tr>
<tr><td>Total (Prior to sub-division of Equity Shares on March 17, 2020)</td><td>154,950</td></tr>
<tr><td>Total (Post sub-division of Equity Shares on March 17, 2020)</td><td>1,549,500</td></tr>
</table>
</td></tr>
<tr><td>Exercise price of options (in ₹)</td><td>
<table>
<tr><td>Prior to sub-division of Equity Shares on March 17, 2020</td><td>₹5,420.00</td></tr>
<tr><td>Post sub-division of Equity Shares on March 17, 2020</td><td>₹542.00</td></tr>
</table>
</td></tr>
<tr><td>Vesting period</td><td>There will be a minimum period of one year between the grant of the options and the vesting of the options (or such other period as prescribed under applicable law).

Vesting will take place in three tranches in the manner set out below, subject to continued employment, successful listing of the equity shares of the Company on the Stock Exchanges, satisfaction of employee performance conditions and the Company meeting certain revenue and profit linked targets as set out below:

a. 40.00% of the options granted shall vest:

• On March 31, 2020, if the Company meets 100% of approved budgeted revenue(1) and approved budgeted PAT(2) of calendar year ("CY") 2019</td></tr>
</table>

Particulars	Details
	and the R&D expense for CY 2019 is not less than 3.00% of revenue[3]. If not, then*, • On March 31, 2021, if the Company meets 100% of sum of approved budgeted revenue and approved budgeted PAT of CY 2019 and CY 2020. Additionally, the revenue CAGR[4] from CY 2018 to CY 2020 is at least 25.00%, the PAT CAGR[5] from CY 2018 to CY 2020 is at least 30.00% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3.00% of the sum of revenue for CY 2019 and CY 2020. If not, then, • On March 31, 2022, if the Company meets 100% of sum of approved budgeted revenue and approved budgeted PAT of CY 2019, CY 2020 and CY 2021. Additionally, the revenue CAGR from CY 2018 to CY 2021 is at least 25.00%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3.00% of the sum of revenue for CY 2019, CY 2020 and CY 202l. b. Next 30.00% of the options granted shall vest- • On March 31, 2021, if the Company meets 100% of approved budgeted revenue and approved budgeted PAT of CY 2020. Additionally, the revenue CAGR from CY 2018 to CY 2020 is at least 25.00%, the PAT CAGR from CY 2018 to CY 2020 is at least 30.00% and the sum of R&D expense for CY 2019 and CY 2020 is no less than 3.00% of the sum of revenue for CY 2019 and CY 2020. If not then, • On March 31, 2022, if the Company meets 100% of sum of approved budgeted revenue and approved budgeted PAT of CY 2020 and CY 2021. Additionally, the revenue CAGR from CY 2018 to CY 2021 is at least 25%, the PAT CAGR from CY 2018 to CY 2021 is at least 30% and the sum of R&D expense tor CY 2019, CY 2020 and CY 2021 is no less than 3% of the sum of revenue for CY 2019, CY 2020 and CY 2021. c. Next 30.00% of the options granted shall vest- • On March 31, 2022, if the Company meets 100% of approved budgeted revenue and approved budgeted PAT of CY 2021 or if the Company meets 100% of sum of approved budgeted revenue and approved budgeted PAT of CY 2020 and CY 2021. Additionally, the revenue CAGR from CY 2018 to CY 2021 is at least 25.00% and the PAT CAGR from CY 2018 to CY 2021 is at least 30.00%. The sum of R&D expense for CY 2019, CY 2020 and CY 2021 is no less than 3.00% of the sum of revenue for CY 2019, CY 2020 and CY 2021. The options granted under each tranche will lapse after March 31, 2022 if the aforesaid conditions for vesting, other than successful listing of the equity shares of the Company on the Stock Exchanges, are not met by March 31, 2022. *[1]Approved budgeted revenue means the budgeted gross revenue of the Company for the year in consideration and as approved by the Board or other committee appointed by the Board.* *[2]Approved budgeted PAT means the budgeted profit after tax ("**PAT**") of the Company for the year under consideration as approved by the Board or other committee appointed by the Board.* *[3]Revenue means the total sales of the Company for the calendar year.* *[4]Revenue CAGR means the compounded annual growth rate ("**CAGR**") of the revenue for the specified period.* *[5]PAT CAGR means the CAGR of PAT of the Company for the specified period excluding any exceptional/extra-ordinary (non-recurring) items.* **No options have vested as on March 31, 2020*
Options vested and not exercised	Nil
Options exercised	Nil
The total number of Equity Shares arising as a result of exercise of options	149,350 (Prior to sub-division of Equity Shares on March 17, 2020); 1,493,500 (Post sub-division of Equity Shares on March 17, 2020), assuming all options granted are

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>vested and exercised, assuming all options are exercised as and when vested. As on the date of this Draft Red Herring Prospectus, no options have been exercised</td></tr>
<tr><td>Options forfeited/lapsed</td><td>
<table>
<tr><th>Fiscal/ Period</th><th>Total No. of Options Granted</th></tr>
<tr><td>Fiscal 2020</td><td>4,600</td></tr>
<tr><td>April 1, 2020 to July 10, 2020</td><td>1,000</td></tr>
<tr><td>Total (Prior to sub-division of Equity Shares on March 17, 2020)</td><td>5,600</td></tr>
<tr><td>Total (Post sub-division of Equity Shares on March 17, 2020)</td><td>56,000</td></tr>
</table>
</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force as on Draft Red Herring Prospectus</td><td>
<table>
<tr><td>Prior to sub-division of Equity Shares on March 17, 2020</td><td>149,350</td></tr>
<tr><td>Post sub-division of Equity Shares on March 17, 2020</td><td>1,493,500</td></tr>
</table>
</td></tr>
<tr><td>Employee-wise detail of options granted to:</td><td></td></tr>
<tr><td>i. Key managerial personnel</td><td>
<table>
<tr><th>Name of the KMP</th><th>Number of Options(1)</th><th>Number of Options(2)</th></tr>
<tr><td>Srinivas Sadu</td><td>24,000</td><td>240,000</td></tr>
<tr><td>K V G K Raju</td><td>10,000</td><td>100,000</td></tr>
<tr><td>C S Venkatesan</td><td>10,000</td><td>100,000</td></tr>
<tr><td>Prakash Baliga</td><td>4,500</td><td>45,000</td></tr>
<tr><td>Surapanini Sridevi</td><td>4,000</td><td>40,000</td></tr>
<tr><td>Ashish Adhikari</td><td>2,000</td><td>20,000</td></tr>
<tr><td>Sampath Kumar Pallerlamudi</td><td>1,600</td><td>16,000</td></tr>
<tr><td>Shilpi Sahay</td><td>1,400</td><td>14,000</td></tr>
<tr><td>Susheel Ogra</td><td>1,200</td><td>12,000</td></tr>
</table>
(1) Prior to sub-division of Equity Shares on March 17, 2020
(2) Post sub-division of Equity Shares on March 17, 2020
</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>
<table>
<tr><th>Name of the KMP</th><th>Number of Options(1)</th><th>Number of Options(2)</th><th>Percentage</th></tr>
<tr><td>Srinivas Sadu</td><td>24,000</td><td>240,000</td><td>15.49%</td></tr>
<tr><td>K V G K Raju</td><td>10,000</td><td>100,000</td><td>6.45%</td></tr>
<tr><td>C S Venkatesan</td><td>10,000</td><td>100,000</td><td>6.45%</td></tr>
</table>
(1) Prior to sub-division of Equity Shares on March 17, 2020
(2) Post sub-division of Equity Shares on March 17, 2020
</td></tr>
<tr><td>iii. 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 the Company at the time of grant</td><td>Nil</td></tr>
<tr><td>Fully diluted Earnings per Equity Share – (face value ₹1 per Equity Share) pursuant to issue of Equity Shares on exercise of</td><td>There is no impact on EPS as options are not vested as on date of this Draft Red Herring Prospectus.</td></tr>
</table>

Particulars	Details
options calculated in accordance with applicable accounting standard for 'Earnings per Share'	
Lock-in	The Equity Shares allotted pursuant to the exercise of the vested options cannot be sold until completion of six months from the date of listing of the Company on the Stock Exchanges.
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 on the Earnings per Equity Share – (face value ₹1 per Equity Share)	Valuation of option is done at fair value basis.
Description of the pricing formula 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	The exercise price is arrived by using Black-Scholes Model Risk free interest rate: 7.35% Expected life: 1.5, 2.5 and 3.5 Expected volatility: 30% Expected dividend:0% Market price of the share at the time of grant of the option: ₹ 6,775.00
Impact on profit and Earnings per Equity Share – (face value ₹1 per Equity Share) of the last three years if the accounting policies prescribed in the SEBI SBEB Regulations had been followed in respect of options granted in the last three years	There is no impact on the EPS as the options are not vested as on the date of this Draft Red Herring Prospectus.
Intention of the Key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options granted to sell their equity shares within three months after the date of listing of Equity Shares pursuant to the Offer	As per clause 11 of the ESOP Scheme 2019 the Equity Shares allotted pursuant to the exercise of the vested options cannot be sold until completion of six months from the date of listing of the Company on the Stock Exchanges.
Intention to sell Equity Shares arising out of the ESOP Plan 2019 within three months after the listing of Equity Shares, by Directors, senior management personnel and employees having Equity Shares arising out of an employee stock option scheme, amounting to more than 1% of the issued capital	As per clause 11 of the ESOP Scheme 2019 the Equity Shares allotted pursuant to the exercise of the vested options cannot be sold until completion of six months from the date of listing of the Company on the Stock Exchanges.

Particulars	Details
(excluding outstanding warrants and conversions)	

14. None of the directors of our Promoters, our Directors, or their relatives, or our Promoter Group have purchased 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.

15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 24.

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 Equity Shares that may be allotted pursuant to the conversion of employee stock options granted under the ESOP Plan 2019 and the ESOP Scheme 2019 and the Equity Shares allotted pursuant to the Offer, 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.

18. There have been no financing arrangements whereby our Promoter Group, the directors of our Promoters, our Directors, and their 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 preceding the date of filing of this Draft Red Herring Prospectus.

19. Our Company presently does not intend or propose and is not under negotiations or considerations 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; (b) any issuance, pursuant to the exercise of employee stock options under the ESOP Plan 2019 and ESOP Scheme 2019. Except employee stock options granted pursuant to the ESOP Plan 2019 and ESOP Scheme 2019, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

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

The Offer for Sale

The proceeds of the Offer for Sale shall be received by the Selling Shareholders. Our Company will not receive any proceeds from the Offer for Sale. For further details of the Offer for Sale, see "*The Offer*" beginning on page 50.

The Fresh Issue

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

1. Funding incremental working capital requirements of our Company;

2. Funding capital expenditure requirements of our Company; and

3. General corporate purposes.

The main objects and objects incidental and ancillary to the main 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. Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhance our visibility and our brand image among our existing and potential customers.

Net Proceeds

The details of the proceeds from the Fresh Issue are summarised in the following table:

Particulars	Estimated amount (₹ in million)
Gross Proceeds of the Fresh Issue[(1)]	12,500
(Less) Offer related expenses in relation to the Fresh Issue	[●]
Net Proceeds	[●]

[(1)] To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC

Utilisation of Net Proceeds

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

Particulars	Amount (₹ in million)
Funding incremental working capital requirements of our Company	7,695.00
Funding capital expenditure requirements of our Company	1,680.00
General corporate purposes[(1)]	[●]
Total	[●]

[(1)]To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Net Proceeds from the Fresh Issue

Proposed Schedule of Implementation and Deployment of Net Proceeds

The following table sets forth the details of the schedule of the expected deployment of the Net Proceeds:

(₹ in million)

Particulars	Amount to be funded from the Net Proceeds	Estimated deployment	
		Fiscal 2021	Fiscal 2022
Funding incremental working capital requirements of our Company	7,695.00	4,348.83	3,346.17
Funding capital expenditure requirements of our Company	1,680.00	570.00	1,110.00
General corporate purposes[(1)]	[●]	[●]	[●]
Total	[●]	[●]	[●]

[(1)] *To be finalized upon determination of the Offer Price*

Means of Finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance. 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, current and valid quotations from suppliers, and other commercial and technical factors. 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, competition and interest or exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by our internal accruals and/ or debt, as required. If the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds from the Fresh Issue in accordance with the SEBI ICDR Regulations.

Details of the Objects of the Offer

I. Funding incremental working capital requirements of the Company

Our business is working capital intensive and we fund a majority of our working capital requirements in the ordinary course of our business from various banks and internal accruals.

(a) Existing Working Capital:

Our Company's existing working capital as at March 31, 2020, 2019 and 2018 are stated below:

(in ₹ million)

S. No	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
I.	**Current assets**			
A.	Inventories	7,562.79	9,118.76	5,128.30
B.	Loans	4.96	2.75	3.11
C.	Trade receivables	6,017.85	5,061.00	4,752.10
D.	Cash and cash equivalents	1,694.97	2,364.02	3,728.41
E.	Bank balances other than cash and cash equivalents	11,556.96	5,169.47	2,979.98
F.	Other financial assets	151.01	70.99	33.93
G.	Tax assets(net)	95.35	-	-
H.	Other current assets	1,379.01	1,787.57	695.80
	Total current assets (I)	28,462.90	23,574.56	17,321.63
II.	**Current liabilities**			
I.	Trade payables	2,490.94	4,461.98	2,918.11
J.	Other financial liabilities	303.79	219.82	149.17
K.	Provisions	174.79	28.81	21.09
L.	Current tax liabilities(net)	107.23	110.04	129.00
M.	Other current liabilities	513.48	507.04	574.52
	Total current liabilities (II)	3,590.23	5,327.69	3,791.89
III.	**Total working capital requirement excluding cash and cash equivalents and bank balances other than cash and cash equivalents (III) = (I) - (II)-(D)-(E)**	11,620.74	10,713.38	6,821.35
IV.	**Fund pattern**			
A.	Internal accruals	11,620.74	10,713.38	6,821.35

(b) Incremental Working Capital

The incremental and proposed working capital requirements, as approved by the Board pursuant to a resolution dated June 18, 2020, and key assumptions with respect to the determination of the same are mentioned below. Our Company's expected working capital requirements for Fiscals 2021 and 2022 and the proposed funding of such working capital requirements are as set out in the table below:

(in ₹ million)

S. No	Particulars	Fiscal 2022	Fiscal 2021
I.	**Current assets**		
A.	Inventories	13,198.05	10,947.88
B.	Trade receivables	8,679.80	7,199.96

S. No	Particulars	Fiscal 2022	Fiscal 2021
C.	Other assets*	2,369.96	1,965.89
	Total current assets (I)	**24,247.81**	**20,113.73**
II.	**Current liabilities**		
A	Trade payables	3,620.99	3,003.63
B.	Other liabilities	1,311.08	1,140.53
	Total current liabilities (II)	**4,932.07**	**4,144.16**
III.	**Total working capital requirement (III) = (I) - (II)**	**19,315.74**	**15,969.57**
IV.	**Fund pattern**		
A.	Internal accruals	15,969.57	11,620.74
B.	Usage from Net Proceeds	3,346.17	4,348.83

**Excluding cash and bank balances*

The following table sets forth the details of the holding levels (with days rounded to the nearest) considered:

Inventory Days

As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
174	267	186

Current receivables days

As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
83	92	107

Creditors Days

As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
57	131	106

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

Particulars	Assumptions and Justifications
Inventories	Our inventory days (calculated as inventory as on balance sheet date divided by COGS* over 365 days), was 174 days as on March 31, 2020, 267 days as on March 31, 2019 and 186 days as on March 31, 2018, respectively. We have anticipated that our inventory days will be 209 days as on March 31, 2021 and March 31, 2022, for maintaining required level of inventory to meet the future requirements.
Current trade receivables	Our current receivables days (calculated as current trade receivables as on balance sheet date divided by revenue from operations over 365 days) was 83 days as on March 31, 2020, 92 days as on March 31, 2019 and 107 days as on March 31, 2018, respectively. We have considered 83 days as receivables days for future working capital requirements.
Other assets	Other assets majorly comprise of security deposits, interest accrued on deposit, advance income tax, prepaid expenses, advance to suppliers, loans and advances, and balances with statutory/governmental authorities. We expect the growth in other assets to be in line with the expected growth in business.
Trade payable	Our creditors days (calculated as trade payable as on balance sheet date divided by COGS* over 365 days), was 57 days as on March 31, 2020, 131 days as on March 31, 2019 and 106 days as on March 31, 2018, respectively. We have considered 57 days as payable days for future working capital requirements.
Other liabilities	Other liabilities primarily include provision for expenses, current tax liabilities (net), advance received from customers, other financial liabilities and statutory dues. We expect the growth in other liabilities to be in line with the expected growth in business.

***"**COGS**" means cost of goods sold includes cost of materials consumed, purchases of traded goods, (increase)/decrease in inventories of finished goods, traded goods and work-in-progress and manufacturing overheads.*

Our Company proposes to utilize ₹4,348.83 million and ₹3,346.17 million of the Net Proceeds in Fiscals 2021 and 2022, respectively, towards our working capital requirements. The balance portion of our working capital requirement shall be met from internal accruals.

Pursuant to the certificate dated July 10, 2020, CMT & Associates, Chartered Accountants have compiled the working capital estimates and working capital projections, as approved by the Board pursuant to its resolution dated June 18, 2020.

Our Statutory Auditors have provided no assurance on the prospective financial information or projections and have performed no service with respect to it.

II. Funding capital expenditure requirements of the Company

We aim to continue investing in existing manufacturing technologies to build new capabilities to support the production of our portfolio of complex injectables, primarily for the U.S. market. As part of such investment, we will require various equipment such as (i) production and packing equipment; (ii) electrical panel and fitting equipment; (iii) Heating, Ventilation and Air Conditioning ("**HVAC**") equipment; (iv) lab equipment; (v) R&D equipment; (vi) utilities equipment; and (vii) warehouse equipment. For further details, see "*Our Business –Our Strategies*" on page 123.

Our Board in its meeting dated February 11, 2020 took note that an amount of ₹1,680.00 million is proposed to be funded for capital expenditure from the Net Proceeds. Our Company has received quotations from various suppliers for such equipment and is yet to place any orders or enter into definitive agreements for purchase of such equipment. Our Company intends to utilise ₹1,680.00 million from the Net Proceeds to purchase certain of such equipment. Equipment which are not purchased from the Net Proceeds shall be purchased from our internal accruals.

The break-down of such estimated costs are set forth below:

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)#*	Quotations received from	Date of Quotations
Production and packing equipment	1,501.79	1,087.80	A.M.R.P. Handels A.G., Ahlada Clean Room Tech Private Limited, Amar Equipments Private Limited, Amis Engineers, Pennar Engineered Building Systems Limited, Aseptic Technocraft Private Limited, Balaji Engineers and Fabricators, Beckman Coulter International S.A. through Shreedhar Instruments, eNarayan Elex India Private Limited, Fedegari Asia Pte. Ltd., Kinam Engineering Industries, I.M.A Industria Macchine Automatiche S.P.A., Kalpana Enterprises, Lapp India Private Limited, Minebea Intec India Private Limited, MyAccounts Online Softwares Private Limited, Nicomac Clean Rooms Far East LLP^, Nirmal Industrial Controls Private Limited, Optel Vision India Private Limited, Praj HiPurity Systems Limited, Shanghai Tofflon Science and Technology Co., Ltd, Qualitus Pharma Solutions, Standard Glass Lining Technology Private Limited, Virinchi Electricals and Sartorius Stedim Biotech GmbH through Sartorius Stedim India Private Limited	The quotations from these vendors are dated from March 14, 2020 to June 19, 2020.

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)#*	Quotations received from	Date of Quotations
Electrical panels and fitting equipment	170.42	139.30	Cotmac Electronics Private Limited, Lapp India Private Limited, Electra Automation, eNarayan Elex India Private Limited, Raj Ratan Metals, Vertiv Energy Private Limited, Bharat Steel Industries, Vijayalaxmi Electricals, Virinchi Electricals and Jyoti Electricals	The quotations from these vendors are dated from April 15, 2020 to June 10, 2020.
HVAC equipment	139.86	98.70	Ahlada Clean Room Tech Private Limited, Bry-Air (Asia) Private Limited, FlaktGroup India Private Limited, Qualitus Pharma Solutions and Radiant Air Systems Private Limited	The quotations from these vendors are dated from April 11, 2020 to June 9, 2020.
Lab facility and equipment	80.33	75.00	Beckman Coulter International S.A. through Shreedhar Instruments, Beckman Coulter India Private Limited, Biolinx India Private Limited, BioMérieux India Private Limited, Climatronics Technologies Private Limited, E Scientia Laboratory Essentials, Excel Modular Systems LLP, Machinfabrik Industries Private Limited, Smeg S.p.A through INexus Biotech Private Limited, Metrohm India Private Limited, Qualitus Pharma Solutions, Sartorius Lab Instruments GmbH & Co. KG through Smart Labtech Private Limited, Shimadzu (Asia Pacific) Pte. Ltd., Allyone Industries, Thermo Fisher Scientific Pte. Ltd. through Thermo Fisher Scientific India Private Limited and Shimadzu (Asia Pacific) Pte. Ltd. through Toshvin Analytical Private Limited	The quotations from these vendors are dated from May 2, 2020 to June 9, 2020.
R&D equipment	115.49	100.00	Beckman Coulter International S.A. through Shreedhar Instruments, Bruker Singapore Pte. Ltd. through Bruker India Scientific Private Limited, Bruker Switzerland AG, Essae-Teraoka Private Limited, Indo Vacuum Technologies Private Limited, Julabo GmbH through Scientific Research Instruments Company Private Limited, Weitech Scientifics, Scotsman Ice Srl-Simag through Mas-tek Instruments Co., Merck Life Science Private Limited, Rötzmeier Sicherheitsbehälter through Inkarp Instruments Private Limited, Sartorius Lab Instruments GmbH & Co. KG through Smart Labtech Private Limited, Sawant Process Solutions Private Limited, SERA Science, Shimadzu (Asia Pacific) Pte. Ltd. through Toshvin Analytical Private Limited,	The quotations from these vendors are dated from March 13, 2020 to June 10, 2020.

Particulars	Total Estimated Costs (in ₹ million)	Amount to be funded from the Net Proceeds (in ₹ million)#*	Quotations received from	Date of Quotations
			Shimadzu (Asia Pacific) Pte. Ltd., Smeg S.p.A through INexus Biotech Private Limited, VICI AG International through INexus Biotech Private Limited, and Vision Lab Equipments	
Utilities equipment	136.54	98.70	GEMUE Gebr Mueller Apparatebau GmbH & Co. KG., Trane India Limited through Ingersoll – Rand Climate Solutions Private Limited, Pharmalab India Private Limited, Praj HiPurity Systems Limited, Qualitus Pharma Solutions, Voltas Limited and Sanpure Systems Private Limited	The quotations from these vendors are dated from March 18, 2020 to June 16, 2020.
Warehouse equipment	89.39	80.50	Godrej Consoveyo Logistics Automation Limited and Nilkamal Limited	The quotations from these vendors are dated from June 9, 2020 to June 24, 2020.
Total	**2,233.82**	**1,680.00**		

#Except for the amounts quoted by foreign vendors, all amounts are inclusive of taxes. Taxes, if any, on equipment proposed to be purchased from foreign vendors will be paid from our internal accruals. The quotations for certain equipment are in foreign currencies such as Euro, USD and CHF. Conversion rates as of March 31, 2020: (a) USD 1.00 = INR 75.39;(b) EUR 1.00 = INR 83.05; and (c) CHF 1.00 = INR 78.32 (Source: https://fbil.org.in/, https://www.rbi.org.in/, https://www.x-rates.com/)

**Certain equipment quotations are subject to additional costs including freight, installation and commissioning costs, transportation costs, packaging and forwarding costs, insurance, customs, duties and other government levies, as applicable, which will be paid from our internal accruals.*

^Our Company, in the past, has entered into related party transactions with Nicomac Clean Rooms Far East LLP (erstwhile Nicomac Clean Rooms Far East Private Limited) up to October 3, 2017. For details, see "Other Financial Information – Related Party Transactions" on page 239.

A. Production and Packing Equipment:

Production and packing equipment are used in vial line for production of liquid vials, sterile powder vials and intermediate API production. Such equipment include vial combi line for handling liquid and powder vials, powder processing equipment, autoclave for sterilisation, filling and mixing vessels, de-pack systems, tray collection, filter integrity machine, glove port testing machine, vial counter machine, clean room panels, serialisation line for packing, vial labelling machine for packing, reactors etc.

B. Electrical panels and fitting Equipment:

Electrical panels and fitting equipment are used in vial production lines and intermediate API production facility. Such equipment include electrical cables, panels, light fittings, uninterruptible power supply (UPS) and process pipe lines etc.

C. HVAC system:

HVAC system refers to heating, ventilation, and air conditioning equipment used in to control the air conditions heating and cooling. Such system includes air handling units, laminated airflow, ducting, dampers, risers, filters, dehumidifier etc.

D. Lab facility and equipment:

Lab facility and equipment are required to perform sample analysis for the products. Such equipment include high-performance liquid chromatography systems, gas chromatograph, ion chromatographic system, walk-in stability chamber, deep freezer chamber etc.

E. R&D equipment:

R&D equipment are required to perform different analytical tests for product/ process development. Such equipment include liquid particle counter, nuclear magnetic resonance spectrometer, x-ray diffraction system, water purification system, atomic absorption spectrophotometer, thermal analysis system, ice flaking machine etc.

F. Utilities equipment:

Utilities equipment are required for air and water connection to the production lines, which are used for generating pure steam, purified water and required gases. Such equipment include block and central utility equipment, water cooled centrifugal chiller, chilled water lines, air dryer and receiver, pipe lines and fittings, water for injection generation plant, water for injection water storage and distribution system, nitrogen gas and vacuum system, brine chiller etc.

G. Warehouse Equipment:

Warehouse equipment are used for storing raw material, packing material and finished goods. Such equipment include automated storage and retrieval system, racking systems, stacker crane, vertical label storage and high-density polyethylene pallets etc.

All quotations received from the vendors mentioned above are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or at the same costs. The quantity of equipment to be purchased is based on the present estimates of our management. Our Company shall have the flexibility to deploy such equipment at our manufacturing facilities in India, according to the business requirements of such facilities and based on the estimates of our management. The actual mode of deployment has not been finalised as on the date of this Draft Red Herring Prospectus. For further details, see "*Risk Factors - We intend to utilise a portion of the Net Proceeds for funding our capital expenditure requirements. We have yet to place orders for such capital expenditure*".

III. 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 Net Proceeds, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds include strategic initiatives and acquisitions and meeting exigencies, meeting expenses incurred by our Company and strengthening of our manufacturing and R&D capabilities, as may be applicable.

In addition to the above, our Company may utilise the Net Proceeds towards other expenditure considered expedient and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act. 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.

Offer Expenses

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

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, fees payable to the Auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than (i) the listing fees, which will be solely borne by our Company; and (ii) fees for counsel to the Selling Shareholders, if any, which shall be solely borne by the respective Selling Shareholders, all costs, charges, fees and expenses that are associated with and incurred in connection with the Offer including, *inter-alia*, filing fees, book building fees and other charges, fees and expenses of the SEBI, the Stock Exchanges, the Registrar of Companies and any other Governmental Authority, advertising, printing, road show expenses, fees and expenses of the legal counsel to the Company and the legal counsel to the BRLMs as to Indian law and the international legal counsel to the BRLMs, fees and expenses of the statutory auditors, registrar fees and broker fees (including fees for procuring of applications), bank charges, fees and expenses of the BRLMs, syndicate members, Self-Certified Syndicate Banks, other Designated Intermediaries and any other consultant, advisor or third party in connection with the Offer shall be borne by the Company and each of the Selling Shareholders in proportion to the number of Equity Shares issued and Allotted by the Company pursuant to the Fresh Issue and/or transferred by the Selling Shareholders pursuant to the Offer for Sale. All the expenses relating to the Offer shall be paid by the Company in the first instance. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, each Selling Shareholder shall, severally and not jointly, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the respective Selling Shareholder directly from the Public Offer Account.

The estimated Offer related expenses are as under:

Activity	Estimated expenses[(1)] (in ₹ million)	As a % of the total estimated Offer expenses[(1)]	As a % of the total Offer size[(1)]
BRLMs fees and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs[(2)(3)(4)]	[●]	[●]	[●]
Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs[(5)]	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Fees payable to the other advisors to the Offer	[●]	[●]	[●]
Others			
- Listing fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses	[●]	[●]	[●]
- Printing and stationery	[●]	[●]	[●]
- Advertising and marketing expenses	[●]	[●]	[●]
- Fee payable to legal counsels	[●]	[●]	[●]
- Miscellaneous	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price

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

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

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

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

Portion for Retail Individual Bidders	*₹[●] per valid application (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[●] per valid application (plus applicable taxes)*

(4) The Processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:

Sponsor Bank	*₹[●] per valid Bid cum Application Form[*] (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI 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.*

**For each valid application*

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

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

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

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds for the purposes described above, our Company will 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.

Bridge Financing Facilities

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

Monitoring of Utilisation of Funds

Our Company has appointed [●] as the monitoring agency in accordance with Regulation 41 of the SEBI ICDR Regulations. Our Board and the monitoring agency will monitor the utilisation of the Net Proceeds, and submit the report required under Regulation 41(2) of the SEBI ICDR Regulations.

Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilised. Our Company will indicate investments, if any, of unutilised Net 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) of the Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. 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 Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net 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 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 Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the 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 and one in Telugu, being the local language of the jurisdiction where the Registered Office is situated in accordance with the Companies Act and applicable rules. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, in accordance with our AoA, and the SEBI ICDR Regulations.

Other Confirmations

Except to the extent of the proceeds received pursuant to the Offer for Sale, none of our Promoters, Directors,

KMPs, Promoter Group or Group Companies will receive any portion of the Offer Proceeds and there are no existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, KMPs, Promoter Group or Group Companies.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and Selling Shareholders in consultation with the BRLMs, 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 Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" "*Financial Statements*" and "*Summary of Financial Information*" on pages 119, 21, 240, 186 and 51, 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:

- Extensive and vertically integrated injectables manufacturing capabilities with a consistent regulatory compliance track record
- Diversified B2B-led model across markets, complemented by a targeted B2C model in India
- Extensive portfolio of complex products supported by internal R&D and regulatory capabilities
- Track record of growth and profitability from a diversified revenue base with healthy cash flows
- Experienced management and qualified team and promoted by Shanghai Fosun Pharma

For details, see "*Our Business – Strengths*" on page 120.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "*Financial Statements*" on page 186.

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

A. Basic and Diluted Earnings Per Share ("EPS"):

Fiscal	Basic EPS (in ₹)	Diluted EPS (in ₹)	Weight
March 31, 2018^	20.72	20.72	1
March 31, 2019^	29.16	29.16	2
March 31, 2020^	49.88	49.88	3
Weighted Average*	38.11	38.11	

**Weighted average means weighted average diluted and basic earnings per share ("EPS") derived from Restated Financial Information based on weights assigned for the respective year ends*

NOTES:

$$\text{Basic earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of equity shares in calculating basic EPS}}$$

$$\text{Diluted earnings per share (₹)} = \frac{\text{Restated profit for the year attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares in calculating diluted EPS}}$$

Basic and diluted earnings per equity share are computed in accordance with Ind AS 33 'Earnings per share'.

^Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. Basic and diluted EPS are considered post subdivision.

B. 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 for Fiscal 2020	[●]	[●]
Based on diluted EPS for Fiscal 2020	[●]	[●]

Industry Peer Group P/E ratio

Not applicable as there are no listed companies in India that engage in a business similar to that of our Company.

C. Return on Net worth ("RoNW")

Fiscal	RoNW (%)	Weight
March 31, 2018	13.32%	1
March 31, 2019	15.79%	2
March 31, 2020	21.20%	3
Weighted Average*	18.08%	

**Weighted average means weighted average return on Net worth ("RoNW") derived from Restated Financial Information based on weights assigned for the respective year ends*

NOTES*:*

1. *Net worth represents sum of equity share capital and other equity. Net worth is a non-GAAP measure (see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 18). For a reconciliation of net worth, see "Other Financial Information" on page 238.*
2. *Return on net worth is the ratio of restated profit for the year, attributable to equity shareholders to net worth for the year. Return on net worth is a non-GAAP measure (see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 18). For a reconciliation of return on net worth, see "Other Financial Information" on page 238.*

D. Net Asset Value ("NAV") per share

Fiscal/ Period ended	NAV (₹)
As on March 31, 2020	235.32
After the completion of the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

NOTES*:*

1. *Offer Price per equity share will be determined on conclusion of the Book Building Process. Net asset value per equity share represents restated net worth at the end of the year divided by total number of equity shares outstanding at the end of year.*
2. *Net asset value per share is calculated by dividing net worth by number of equity shares outstanding as on the respective date.*
3. *Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to equity shares of face value of ₹1 each. NAV per share is considered post sub-division.*

E. Comparison with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Hence, it is not possible to provide an industry comparison in relation to our Company.

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

The Offer Price of ₹[●] has been determined by our Company and Selling Shareholders in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 21, 119, 240 and 186, respectively, to have a more informed view.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO GLAND PHARMA LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

The Board of Directors
Gland Pharma Limited
Sy No. 143 to 148, 150 & 151
Near Gandimaisamma X roads,
D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal,
Medchal – Malkajgiri District, Hyderabad,
Telangana – 500043

Dear Sirs,

Statement of Possible Special Tax Benefits available to Gland Pharma Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexures 1 and 2 (together, the "Annexures"), prepared by Gland Pharma Limited (the "Company"), provides the possible special tax benefits available to the Company and to the shareholders of the Company as stated in those Annexures, under:

   - the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

   - the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21, Special Economic Zones Act, 2005 ("SEZ Act"), Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India.

   The Act, the GST Acts, Customs Act, Tariff Act and SEZ Act, as defined above, are collectively referred to as the "Relevant Acts".

2. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Relevant Acts. Hence, the ability of the Company to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated in the Annexures is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Initial Public Offer through a fresh issuance of equity shares of Re. 1 each of the Company and offer for sale by the selling shareholders of the Company (the "Proposed IPO") by the Company.

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

   i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexures are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Navneet Rai Kabra
Partner
Membership Number: 102328

Place of Signature: Hyderabad
Date: 08/07/2020

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – INCOME-TAX ACT, 1961

Outlined below are the possible special tax benefits available to Gland Pharma Limited (the "Company") and its Shareholders under the Income-tax Act, 1961 (the "Act") as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

I. Special tax benefits available to the Company

1. As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

II. Special tax benefits available to the Shareholders of the Company

There are no special tax benefits available to the Shareholders of the Company for investing in the shares of the Company.

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and the shareholders under the current Income-tax Act, 1961 i.e. the Act as amended by the Finance Act, 2020 applicable for the Financial Year 2020-21 relevant to the Assessment Year 2021-22, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

4. As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.168% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). The Company has adopted the said tax rate with effect from Financial Year 2019-20 (i.e. Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years. In such a case, the Company may not be allowed to claim any of the following deductions/exemptions:

    i) Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone
    ii) Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)
    iii) Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)
    iv) 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 (Expenditure on scientific research)
    v) Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
    vi) Deduction under section 35CCD (Expenditure on skill development)
    vii) Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M
    viii) 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 from clause i) to vii) above
    ix) No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause i) to vii) above

    Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Further, such Company will not be entitled to claim tax credit relating to MAT.

5. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

6. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Gland Pharma Limited

Ravi Shekhar Mitra
Chief Financial Officer
Place: Hyderabad
Date: 08/07/2020

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21, Special Economic Zones Act, 2005 ("SEZ Act"), Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India.

I. Special tax benefits available to the Company

The Company is availing the following benefits under Indirect Taxes:

1. In accordance with Section 54 of the CGST Act 2017, input tax credit paid on inputs and input services used in manufacture of exported goods/ IGST paid at the time of export of goods are eligible for refund, subject to prescribed conditions.

2. The SEZ unit of the Company has availed exemption from the payment of Custom duties and has also availed zero-rated supplies under relevant Customs notification and Section 16 of IGST Act respectively.

3. Duty drawback of duty paid on import of materials used in manufacture of export goods under Section 75 of the Customs Act.

4. Duty credit scrips under Merchandise Export from India Scheme ("MEIS") covered in Chapter 3 – Exports from India Scheme in Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified). However, the Cabinet has approved a WTO compliant scheme Remission of Duty and Taxes on Exported Products ("RODTEP") to determine mechanism for reimbursement of taxes, duties/levies at central, state and local level. The said scheme will also replace MEIS in a phased manner. Further, the Directorate General of Foreign Trade ("DGFT") are yet to notify extension of Service Export from India Scheme for FY 2020-21 on which the decision will be taken and notified subsequently.

5. In terms of Notification No. 18/2015 – Customs dated 1st April 2015 (and as amended from time to time), materials imported against Advance Authorisation License under Foreign Trade Policy 2015-20, are exempt from payment of customs duty, additional duty, safe-guarding duty and anti-dumping duty as levied under Tariff Act. Further, the said exemption has been extended till 31.03.2021 vide Notification No. 18/ 2020 dated 30.03.2020. Similar extension till 31.03.2021 under FTP has been provided vide Notification No. 57/2015-20 dated 31.03.2020

6. In terms of Notification No. 16/2015 – Customs dated 1st April 2015 (and as amended from time to time), capital goods imported under Export Promotion Capital Goods scheme ("EPCG") under Foreign Trade Policy 2015-20, are exempt from payment of customs duty, additional duty, safe-guarding duty and anti-dumping duty as levied under Tariff Act. Further, the said exemption has been extended till 31.03.2021 vide Notification No. 18/ 2020 dated 30.03.2020. Similar extension till 31.03.2021 under FTP has been provided vide Notification No. 57/2015-20 dated 31.03.2020

7. In line with Notification No. 79/2017 – Customs dated 13th October 2017 (and as amended from time to time), exemption is available from payment of IGST and Compensation Cess on goods imported under Advance Authorisation License and EPCG scheme. Further, the said exemption under Customs has been extended till 31.03.2021 vide Notification No. 18/ 2020 – Customs dated 30.03.2020.

II. Special tax benefits available to the Shareholders of the Company

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

Notes:

1. This Annexure sets out only the possible special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2020 applicable for the Financial Year 2020-21,

Special Economic Zones Act, 2005 ("SEZ Act"), Foreign Trade Policy 2015-20 as extended till 31.03.2021 vide Notification No. 57/2015-20 dated 31.03.2020 (unless otherwise specified), presently in force in India.

2. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed IPO.

3. Our comments are based on our understanding of the specific activities carried out by the Company from 1 April 2020 till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.

4. We have been given to understand that during the period from 1 April 2020 to the date of this Annexure, the Company intends to:

   i. avail above mentioned exemption, benefits and incentives under indirect tax laws
   ii. export goods and services outside India
   iii. import goods and services from outside India

5. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

6. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

7. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Gland Pharma Limited

Ravi Shekhar Mitra
Chief Financial Officer
Place: Hyderabad
Date: 08/07/2020

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section has been obtained or derived from the report titled "Global Injectable Industry Overview" dated July 8, 2020, prepared by IQVIA (the "**IQVIA Report**"). All information contained in the IQVIA Report has been obtained by IQVIA from sources believed by it to be accurate and reliable. IQVIA obtains information for its analysis from sources it considers reliable, but does not guarantee the accuracy or completeness of its analysis or any information contained in the IQVIA Report. Further, the IQVIA Report was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends, and opinions in the IQVIA Report may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. IQVIA has confirmed that certain third-party information used or cited in the IQVIA Report has been obtained from publicly available information and acknowledgements of sources have been given wherever necessary in the IQVIA Report. IQVIA and its affiliates make no representation or warranty, either express or implied, with respect to the information or analysis from the IQVIA Report, including without limitation the implied warranties of fitness for a particular purpose and merchantability and IQVIA specifically disclaims any such warranty. The IQVIA Report is not a comprehensive evaluation of the industry, the Company or the Equity Shares and all material within the IQVIA Report should be deemed as expressions of opinion which are subject to change without notice. For further details and risks in relation to commissioned reports, see "Risk Factors — We have relied on a third party industry report which has been used for industry related data in this Draft Red Herring Prospectus and such data have not been independently verified by us" on page 40.*

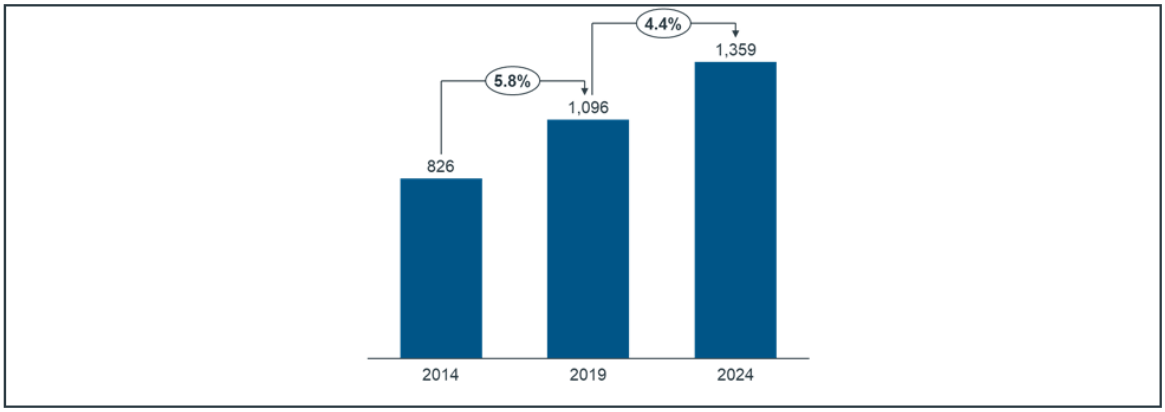
For the purpose of this section, North America refers to the United States, Canada, Mexico and Central America and the rest of the world (RoW) refers to Australia, New Zealand and other countries.

GLOBAL PHARMACEUTICAL MARKET

Size and Growth of Global Formulation Market

According to the IQVIA Report, the global formulation market grew at a CAGR of approximately 5.8% from 2014 to reach US$1,096 billion in 2019. The market is estimated to grow at a CAGR of 4.4% to reach US$1,359 billion by 2024.

Global Pharmaceutical Market, 2019-2024 (values in US$ billion)

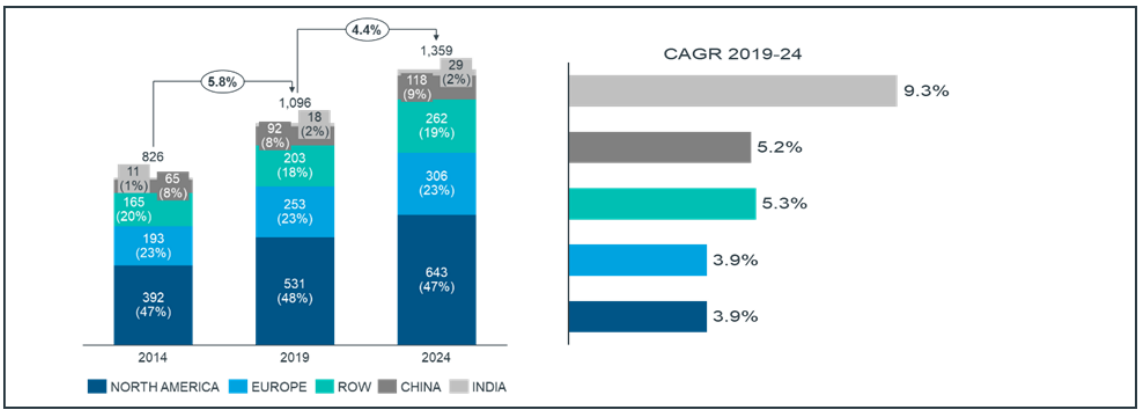


Source: IQVIA

*Note: Moving annual total ("**MAT**") September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.*

According to the IQVIA Report, North America is expected to contribute approximately 47% of the overall market by value in 2024 and grow at a CAGR of approximately 3.9% from 2019 to 2024. India and China are expected to contribute approximately 2% and 9%, respectively, of the market by value, with India expected to grow at a faster rate of approximately 9.3% and China at a CAGR of approximately 5.2% from 2019 to 2024.

Geographic Segmentation: Global Pharmaceutical Market, 2019-2024 (values in US$ billion)



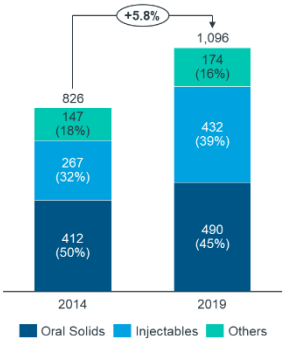
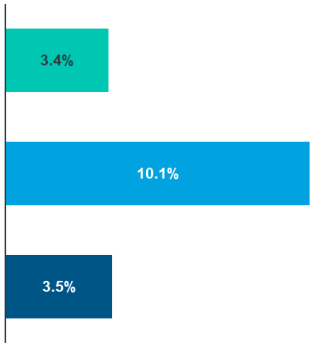
Source: IQVIA

Note: MAT September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

Segmentation of Global Pharmaceutical Market

According to the IQVIA Report, oral solids, the largest delivery format in the market by value, was estimated to be US$490 billion in 2019, growing at a CAGR of approximately 3.5% from 2014 to 2019. However, the market share by value of oral solids declined from 50% in 2014 to 45% in 2019. Injectables are the second largest delivery format in global pharmaceutical market. IQVIA estimated that the global injectables market grew at a CAGR of approximately 10.1% from 2014 to reach US$432 billion in 2019. Market share by value of injectables increased from 32% in 2014 to approximately 39% in 2019.

Global Pharmaceutical Market Delivery Format, 2014-2019

(Values in USD billion)	*CAGR (2014-19)*	Volume Growth	Price Growth
		-2.0%	5.6%
		6.3%	3.6%
		2.1%	1.4%

Source: IQVIA

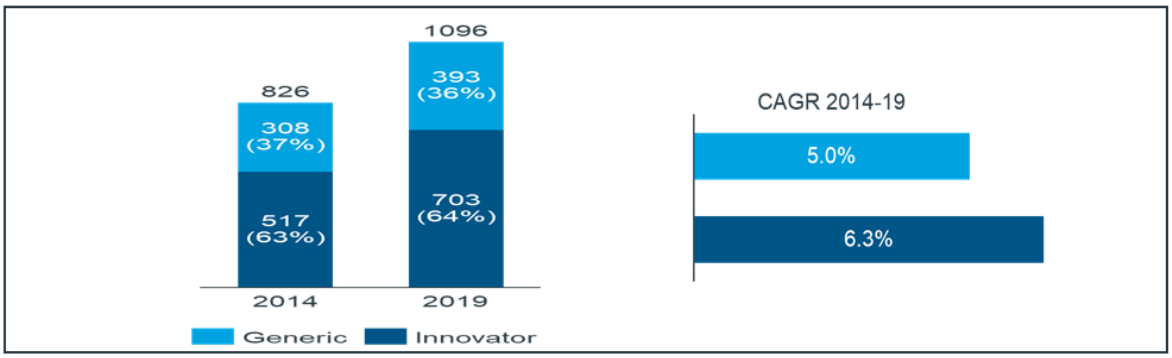
Note: MAT September 2014-2019

Note: Others means drugs for lung administration, ophthalmic, topical, other systemic, nasal, rectal, oral liquids and oral topical uses

Product Type Segmentation

Market share by value remained approximately the same for generics and innovator molecules from 2014 to 2019. Generics grew at a CAGR of approximately 5.0% and innovators grew at a CAGR of approximately 6.3% from 2014 to 2019.

Global Formulation Market – Innovator and Generic: Market share by Value (US$ billion, %)



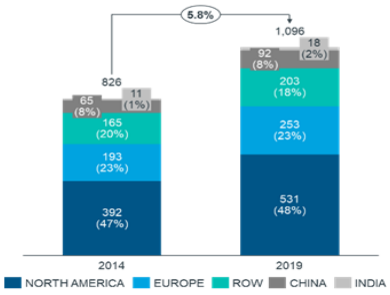
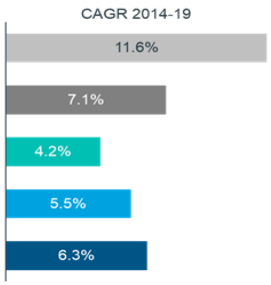
Source: IQVIA

Note: MAT September 2014-2019

Geographic Segmentation

North America continued to form the major share of the global pharmaceutical market by value at US$531 billion in 2019, growing at approximately 6.3% from 2014 to 2019. India had the least market share by value but has grown at the fastest rate of approximately 11.6% between 2014 and 2019.

Geographic Segmentation, 2014-2019 (values in US$ billion)

(Values in USD Bn)	*CAGR (2014-19)*	Volume Growth	Price Growth
		5.4%	5.8%
		4.5%	2.5%
		3.6%	0.6%
		5.9%	-0.3%
		1.0%	5.2%

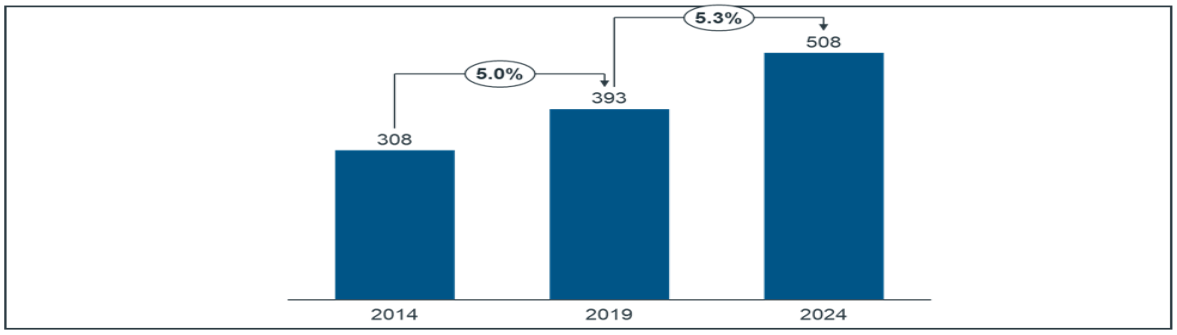
Source: IQVIA

Note: MAT September 2014-2019

Size and Growth of Global Generics Formulation Market

According to the IQVIA Report, the global generics market was estimated to be US$393 billion in 2019, constituting approximately 36% of the global pharmaceutical market. The market grew at a CAGR of approximately 5.0% from 2014 to 2019 and is estimated to grow at a CAGR of approximately 5.3% to reach US$508 billion by 2024, constituting approximately 37% of the global pharmaceutical market by 2024.

Global Generics Pharmaceutical Market, 2019-2024 (values in US$ billion)

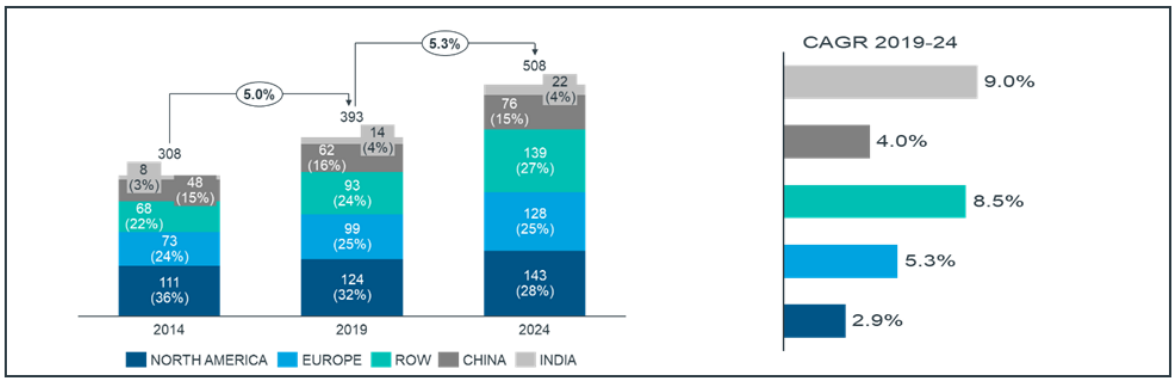


Source: IQVIA

Note: MAT September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

North America, the largest generic market in 2019, was estimated to be US$124 billion in 2019 and expected to grow at a CAGR of approximately 2.9% from 2019 to 2024, slower than other regions due to price erosion resulting from increased competition. The European generic market was estimated to be US$99 billion in 2019 and expected to grow at a CAGR of approximately 5.3% from 2019 to 2024 to reach US$128 billion in 2024. India and ROW were expected to grow at a faster rate of more than 8% from 2019 to 2024, primarily driven by volumes.

Geographic Segmentation: Global Generics Pharmaceutical Market, 2014-2019 (values in US$ billion)



Source: IQVIA

Note: MAT September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

According to the IQVIA Report, Indian manufacturers accounted for approximately 33% market share by volume in the generics market in the United States (largest market within North America) in 2019. Indian manufacturers have increased their share by approximately 10% from 2017 to 2019. This was primarily driven by quality manufacturing capacity and competitive pricing. India also has the highest number of USFDA-approved manufacturing facilities outside the United States, accounting for approximately 20% of manufacturing facilities of finished dosage forms.

According to the IQVIA Report, the pricing of generic molecules from Indian manufacturers is lower compared to non-Indian manufacturers in the United States market. For example, average price of key molecules such as Amlodipine, Glimepiride and Metformin from Indian manufacturers were 40-50% lower than non-Indian generics in 2019. The lower pricing is primarily driven by the lower cost of production in India, which is nearly 30-40% lower than that of the United States, attributable to a range of factors including competitive land rates, skilled labour and low utility (water and electricity) cost.

Geographic Segment Overview

United States

According to the IQVIA Report, the United States pharmaceutical industry was estimated to be US$499 billion in 2019, growing at CAGR of 6.3% from US$368 billion in 2014, characterised by multinational companies forming the core of the business which operate across the world in both developed and emerging markets. One of the key regions of growth will continue to be the United States with an approximately 4% to 7% CAGR from 2019 to 2023. Despite its own research and development capabilities and innovations, the market has also been widely open to generics. The United States currently has the highest generic sales in the world at US$111 billion, contributing to approximately 28% of overall generic market by value.

The ageing population of 65 years and above in the United States is expected to increase to 18% of the total population in 2024 from 16% in 2019, resulting in more consumers for pharmaceutical products. Growing demand for pharmaceutical products will generate a need for more generics in the market.

Key Characteristics:

- Generic penetration by volume in the United States increased from approximately 84% in 2014 to approximately 88% in 2019.
- All states permit generic substitution for patients enrolled in private drug plans and for Medicare Part D beneficiaries, while the practice is mandatory in around a dozen states.
- The launch of new first-in-class generics will be the predominant source of growth, supported by more efficient regulatory processing at the USFDA.

Development and Trends:

- The United States Generic Drug User Fee Amendment Act ("**GDUFA**") levies user fees on generic manufacturers and tracks generic drug registrations. GDUFA II is designed to provide greater predictability and shorter processing timelines. Medicines that gain competitive generic therapy status may receive review enhancements and an expedited ANDA review.

- The United States is an attractive market for pricing of generics compared to other regions. The United States market has also experienced drug shortages during past few years. The number of injectables shortages increased by approximately 23% in 2018 compared to 2014.

- Generic price inflation has decelerated rapidly and is expected to remain negative under the pressure of intensifying competition in the sector. Generic drugs have become price competitive in part due to the recent surge in ANDA approvals for generics of molecules and Group Purchasing Organisations (GPOs) driving price reductions. The USFDA is particularly focusing on approving complex generics and generics where the reference listed product has no, or limited, competition. The United States federal government's efforts to facilitate and expedite the market entry of generic medicines will provide a further boost to the sector.

- Mergers of pharmacy benefit managers with pharmacy networks and/or medical providers create mega-healthcare companies with a higher negotiating power.

India

According to the IQVIA Report, the Indian pharmaceutical market was estimated to be US$18 billion in 2019, growing approximately 11.6% CAGR from US$11billion in 2014. The industry has been able to offer a wide variety of high quality and affordable generics across the world.

Increasing incidence of chronic diseases due to changing lifestyle, improving affordability, growing penetration of medical insurance, government policies such as Ayushman Bharat are expected to improve the diagnosis and treatment rates in India, driving the growth of the pharmaceutical industry despite population growth slowdown in 2020 to 2024.

Real GDP growth was forecasted to reach 5.8% in 2020 from an estimated growth rate of 4.2% in 2019. According to the IMF projections in April 2020, India is however expected to witness a GDP growth rate of 1.9% in 2020, given the COVID-19 pandemic and consumer price inflation of 3.3%, which is 1.2% points lower than the 2019 average.

Key Characteristics:

- India is a leading and key manufacturing hub for generics.

- Indian pharmaceutical companies have been partnering with multi-national companies to improve their reach and product portfolio.

- Indian pharmaceutical companies continue to invest in research and development activities to expand their presence.

- India enjoys advantages in terms of cost and availability of skilled manpower.

- Generic formulations form a significant portion of the domestic market. IQVIA estimated the generic products market to be approximately US$14 billion in 2019, accounting for approximately 82% of the market by volume.

Development and Trends:

- Branded generic products provide healthy margins and will continue to dominate the Indian market. Leading domestic companies may also pursue opportunities in higher-margin sectors of the market, including difficult-to-make generics and biosimilars.

- There have been signs of a more flexible approach to drug registration since 2015. Procedures also were being overhauled in a bid to improve the efficiency of the process, which has driven a reduction in approval times.

- Pressure on drug prices will intensify, driven by the imposition of caps on trade mark-ups applied to a growing number of non-scheduled products.

- India will remain the world's biggest exporter of generic medicines, but with growth in the United States and Europe becoming harder to achieve, the country's major manufacturers will focus increasingly on growing their domestic and export business in emerging markets.

China

According to the IQVIA Report, the Chinese pharmaceutical market was estimated to be approximately US$92 billion in 2019, growing at a CAGR of 7.1% from US$65 billion in 2014. According to the IMF projections in April 2020, real GDP growth was forecasted to decline to 6% from 6.1% in 2019 but will now be 1.2% in 2020, given the COVID-19 pandemic, while consumer price growth will rise to an average of 3% annually in 2019 to 2020.

Key Characteristics:

- The 2017 update of the National Reimbursement Drug List has led to improvements in the accessibility and affordability of new drugs launched since the beginning of this decade.
- Competition faced by off-patent originators will intensify as more local generics pass bioequivalence testing and obtain the required quality consistency recognition.
- Increasing price transparency and lower prices are driven through high volume tenders. Tender prices are increasingly transparent, with procurement data platforms allowing provinces to benchmark prices achieved in other provinces, imposing continuous downward pressure on prices.

Development and Trends:

- Improving the quality of local generics through Generic Quality Consistency Evaluation ("**GQCE**") initiative introduced in 2015 is likely to remain a priority.
- Regulations of the pharmaceutical sector will be overseen by the National Medicinal Products Administration ("**NMPA**") and new generic registrations will be prioritised.
- Reforms to the drug approval process have reduced registration times which allow new drugs to reach the market faster and reduce China's drug launch lag relative to other international markets.
- In August 2018, the NMPA unveiled a list of 48 novel drugs already approved in the United States, Europe or Japan, which they said could apply directly for fast-track reviews.
- Pressure on the price of both innovative new drugs and patent-expired molecules will increase. Volume-based tendering for drugs will drive down the price of both generics and patent-expired brands.
- As a part of the hospital financing reforms, the government is seeking to reduce the share of hospital budgets allocated to medicines from around 40-50% historically to 30% or less of the total hospital budgets by 2020. To remain within budget, hospitals most commonly apply quarterly or monthly value or volume caps on top-selling costly drugs. Once the ceiling is reached, prescribers must switch to generics but may return to the brand in the next period. The annual budget cycle also plays a role, with generics usually preferred over more costly original brands towards the end of the financial year.
- With price transparency increasing, companies face the risk that lower prices will be used as a national reference price and are being forced to consider carefully the impact of price concessions for individual provinces.

Europe

Country	Market Size, Growth, 2014-2019 (USD billion, in %)	Generic Penetration by volume, 2019 (in %)	Drivers of generics penetration
France	35, 1.8%	74%	• Pharmacy level substitution with generic equivalents • Pharmacists' margins are set higher by the government when they sell generics to their patients • Generic companies can grant much higher discounts than originator companies to pharmacists
Germany	46, 4.4%	77%	• Tendering processes tend to favour generic drugs • Drug prices for branded drugs are forced downwards • Automatic INN Substitution (International non-proprietary name) • Fixed pharmacists' margins
Italy	32, 6.5%	57%	• Higher margin to pharmacies while dispensing generics • Introduction of rules that prevent originators competing directly with generics on price in the period immediately following patent expiry;

Country	Market Size, Growth, 2014-2019 (USD billion, in %)	Generic Penetration by volume, 2019 (in %)	Drivers of generics penetration
			• Imposition of partial generic prescribing requirements • A switch in the method used to calculate reimbursement reference prices, which now involves referencing to average European prices
Spain	24, 6.3%	60%	• Implemented mandatory INN prescriptions and dispensing of lowest priced product in 2011 • Shortened application for generics
United Kingdom	26, 6.4%	80%	• Strongly encouraged and widely practiced INN prescriptions • There are indicative prescription guidelines to reduce the pharmaceutical expenditure • There are pharmaceutical budgets for NHS doctors • There is a strong prescription monitoring • There are information practices targeted at general public to spread awareness

Source: IQVIA

Note: Data is given for MAT September 2014 and MAT September 2019

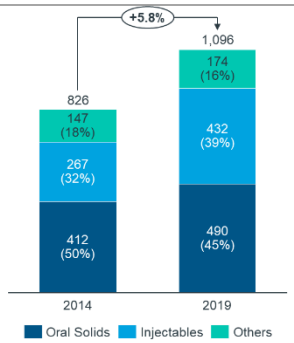
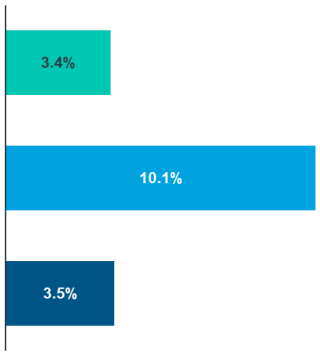
GLOBAL INJECTABLES MARKET

According to the IQVIA Report, injectables are the second largest form of drug delivery systems, accounting for approximately 39% of the global pharmaceutical market by value in 2019. Injectables have numerous advantages over other traditional dosage forms:

- Injectables have close-to-immediate onset of action.
- Injectables allow patients who are unable to take other dosage forms due to difficulties in consuming oral medication to adhere to their medication regimen. Injectables are particularly useful for unconscious or comatose patients who are otherwise not capable of consuming medication.
- Injectables offer a unique capability of giving the administrator control over drug delivery to a specific location in a measured manner.
- The development of self-injection devices like pen injectors and auto injectors has made administering drugs more convenient and easy for patients. Patients can now use these novel devices and self-administer their medication in the comfort of their homes without medical supervision.
- There is an increase in the number of new drug formulations which are less water soluble and/or have very low permeability to allow for adequate absorption from the gastrointestinal tract following oral administration. The only way to make such drugs available in the body is through an intravenous administration.

According to the IQVIA Report, the global injectables market was estimated to be US$432 billion in 2019, growing at a CAGR of approximately 10.1% from 2014 to 2019. The market share by value of injectables grew from 32% in 2014 to approximately 39% in 2019.

Global sales of injectables compared to other dosage forms, 2014-2019

(Values in USD billion)	*CAGR (2014-19)*	Volume Growth	Price Growth
		**-2.0%** **6.3%** **2.1%**	**5.6%** **3.6%** **1.4%**

Source: IQVIA

Note: MAT September 2014-2019

Note: Others means drugs for lung administration, ophthalmic, topical, other systemic, nasal, rectal, oral liquids and oral topical uses

Growth Drivers for Injectables

The growth of injectables has been among the fastest across all drug delivery formats primarily due to the following factors:

Rising prevalence of chronic diseases

- There is an increase in the prevalence of diabetes and other chronic diseases which treatment is primarily administered through injectables.
- According to WHO Global Report on Diabetes, the global prevalence of diabetes has nearly doubled since 1980 and is expected to continue rising. Consequently, there is an increase in the demand for injectables.
- Most chemotherapy drugs are delivered through injectables, which is one of the key growth drivers of injectables globally. According to the WHO – International Agency for Research on Cancer Fact Sheet, the number of new cancer cases was approximately 18 million in 2018 and is expected to increase to over 23 million by 2030.

Convenience and benefits of New Drug Delivery Systems ("NDDS")

- There is a rising demand for self-administered medications. The development of new injectables delivery devices such as auto injectors, pen injectors, pre-filled syringes ("**PFS**") and needle-free injectors has led to the increased access to self-administered medications. These NDDS offer greater convenience and safety while self-administering, as well as allow patients to reduce the frequency of their hospital visits.
- Advancements in NDDS technology has resulted in development of self-injectors that are increasingly being used in areas other than diabetes, such as the treatment of orphan diseases in oncology or hormone therapy, where multiple doses are needed over time.

New market opportunities

The market for injectables drugs is increasing as new ailments such as rheumatoid arthritis, multiple sclerosis, cancers and auto-immune disorders are now being treated through injectables solutions. Pharmaceutical companies are developing and investing heavily in the development of new complex molecules to target these diseases.

Growth of biologics

Biologics are gaining popularity in the pharmaceutical industry. Injectables, especially prefilled syringes, are witnessing increased adoption as the preferred drug delivery systems due to their ease of handling, less overfills and more safety to patients. In the coming few years, many biologic drugs will witness loss of patent exclusivity. This is expected to result in a surge in their biosimilar products thereby increasing demand for the injectables drug delivery devices for these formulations.

Market Entry Barriers

Injectables form appears to have high entry barriers due to its inherent complex nature. Injectables manufacturers face high entry barriers such as high capital investments, operational costs, manufacturing complexities, stricter compliance requirement due to the sterile nature of products and high-quality standards, resulting in limited competition in the market.

These factors have resulted in lesser competitors in the injectables segment relative to other segments. For the United States generic injectables market, 70% of the market by value has less than half the number of manufacturers compared to the oral solids segment, corroborating high level of entry barriers for injectables. Due to highly complex and stringent development and manufacturing process, injectables continue to remain a specialised area within the pharmaceutical industry. The inherent complicated nature of injectables leads to fewer companies having the capability to operate in this segment.

High capital investments

The capital investment for an injectables manufacturer is higher compared to that for oral solids. Injectable plants require 1.3-1.5 times more capital expenditure as compared to oral solids plants. Addition of new injectables lines is less capital intensive as compared to adding a new injectables facility. The high capital investment is necessary to ensure adherence to quality standards and minimise errors.

Machinery: The cost of machinery, self-contained manufacturing lines, adherence to terminal sterilisation and/or aseptic manufacturing with sterile fill finish, increase the capital expenditure for injectables plants. The cost associated with planning

aseptic processes from drug components to packaging is high due to the use of aseptic processing isolators which separate the materials inside them from the external cleanroom environment and minimise exposure to personnel.

Technology: The capital expenditure for injectables manufacturing is high due to the type of automation systems that may be required for high quality and sterility standards. Automation systems help reduce errors and ensure efficient processes. Sterile fill-finish equipment is designed to minimise the requirement for human intervention. Fillers in the machinery have automated vision systems to sort and process vials. Sterilise-In-Place technology allows for sterilisation of equipment.

Lyophilisation: Many parenteral drug products undergo sterile lyophilisation (i.e. freeze-drying) to generate a stable powder for storage and transport. Large-scale lyophilizers and the associated cleanroom facilities to accommodate sterile fill finish increase the capital expenditure cost.

Manufacturing complexities to meet the stringent quality norms

Injectables require strict manufacturing processes across development, packaging, storage and transport. The complexities involved in the manufacturing processes with stringent quality norms increase operational costs and make it a critical entry barrier for pharmaceutical companies.

Sterilisation: Sterilisation is done through terminal sterilisation, aseptic manufacturing or sterile fill finish methods. With newer complex formulations, many products or containers cannot be terminally sterilised due to degradation of the drug product. Sterilisation is done across drug components to the packing material. Clean room facilities (highest level of air quality, class 100) are required for sterile fill-finish process. Cross checking through contamination studies are essential for the final formulated product.

Packaging: Products which are packaged in plastic undergo extractable and leachable testing to ensure that no additives in the plastic contaminate the drug product. In addition, compatibility studies must be conducted to ensure that there are no interactions between the drug product or solution and the glass, plastic container or rubber stoppers.

Stability: The stability of injectables is assessed and maintained at every stage of development. Unlike most oral solids, injectables such as cold storage injectables are monitored after development and packaging for stability during transportation. Some formulations face stability issues in the liquid form and require lyophilisation to generate a stable powder form.

Key skills and knowledge: Formulations that face stability issues in solution or ready-to-use form require sterile lyophilisation (freeze drying) to generate a stable powder form. Techniques used for lyophilisation require knowledge and skill specific to the process. Studies on crystal structure changes on freezing, heat transfer through a vial and temperature controls for a formulation are critical.

Personnel training: Training activities for personnel involved in manufacturing sterile injectables are extensive and must be assessed on a regular basis. Training and evaluation of personnel are critical to avoid contamination risks. Some processes are designed to limit human interventions, but processes followed by personnel in the cleanroom ensure sterility. An environmental monitoring team is also trained to detect any deviations and contaminations in aseptic monitoring. Costs associated with ongoing personnel training are high and increase operational costs in the facility.

High compliance and regulatory requirements

Over the past few years, manufacturing units of several large players operating in the United States generic injectables space have faced regulatory interruptions on account of non-compliance to cGMP guidelines. According to the IQVIA Report, Gland has not received any warning letters from the USFDA for the past five years.

USFDA Inspections of Peers, 2017-2019

	2017		2018		2019	
	VAI	OAI	VAI	OAI	VAI	OAI
Peer 1	0	0	0	0	0	0
Peer 2	1	0	2	0	0	0
Peer 3	2	0	1	0	0	0
Peer 4	1	0	1	0	0	0
Peer 5	2	2	4	1	3	0
Peer 6	0	0	1	0	2	0
Peer 7	7	0	1	0	6	0
Peer 8	1	0	0	0	0	0
Peer 9	0	0	1	0	0	0
Peer 10	1	0	2	0	0	0
Peer 11	1	0	3	1	2	0
Peer 12	1	0	0	0	1	0
Peer 13	1	0	3	0	0	0
VAI : Voluntary action Initiated						
OAI : Official action Initiated						

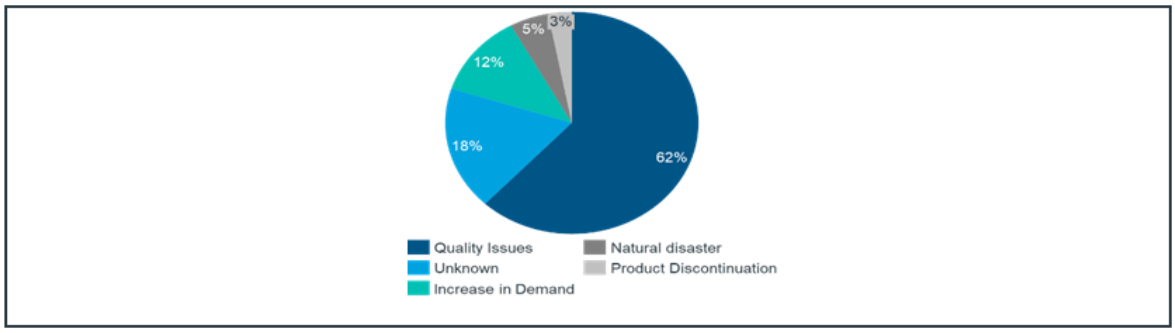
Source: IQVIA, https://datadashboard.fda.gov/ora/cd/inspections.htm

Quality Requirements

Quality standards for injectables manufacturers are more stringent due to the need for sterile products. Quality standards are evaluated and maintained across various stages of product development, formulation, packaging, storage and transportation.

Multiple recent warning letters with USFDA cGMP norms have led to demands for good quality facilities. According to the USFDA's study conducted on 163 sample drugs in shortage, 63% (or 103 sample drugs) were drugs administered by injection. Of the 163 drugs 62% went into shortage after supply disruptions occurred that were associated with manufacturing or product quality problems.

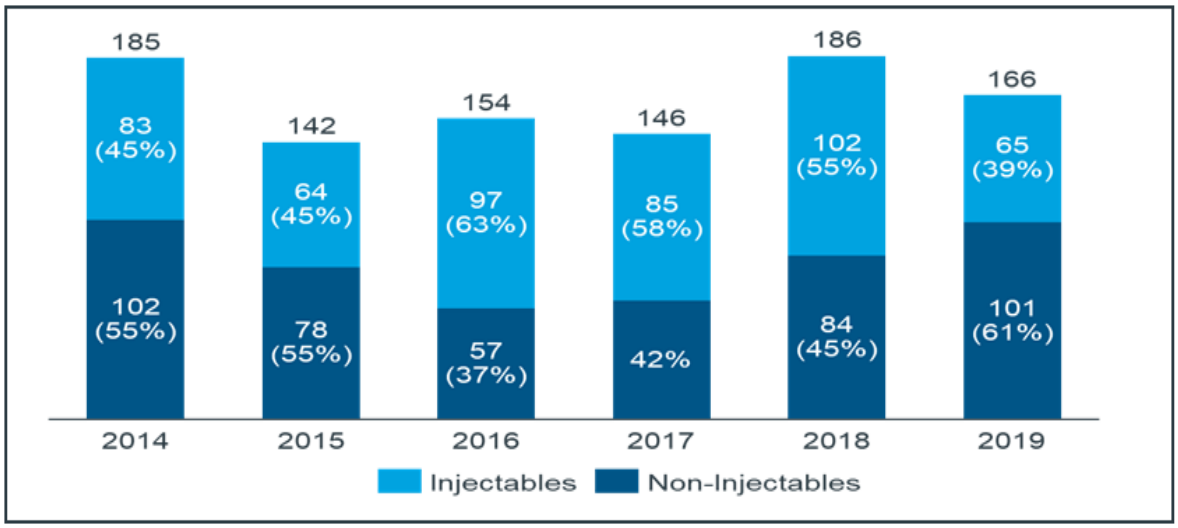
Percentage of Drugs in Shortage by Reason, 2013-2017



Source: IQVIA. USFDA Drug Shortages: Root Causes and Potential Solutions, 2019

Over the years injectables continue to form a major portion of drug shortages in the United States. The USFDA reported an increase in the number of injectables shortages from 2014 to 2018. Approximately 40% of the overall drug shortages in the United States are in the injectables category.

Form-wise Drug Shortages in the United States, 2014-2019 (count of drugs)



Source: IQVIA, https://www.ashp.org/Drug-Shortages/Shortage-Resources/Drug-Shortages-Statistics

Among the current injectables shortages published by the USFDA, some of the products relevant to Gland are as follows:

Current Shortage Molecules Relevant to the Company

	Generic Name or Active Ingredient	Market Size in US$ million (approximately) 2019	Market Authorisation Status
1	Ropivacaine Hydrochloride Injection	141	Product Tentatively Approved
2	Ketorolac Tromethamine Injection	73	Existing Products
3	Metronidazole Injection, USP	59	Product Filed. Awaiting Approval.
4	Pantoprazole Sodium for Injection	51	Product Tentatively Approved
5	Dexamethasone Sodium Phosphate Injection	27	Existing Products
6	Calcitriol Injection USP 1MCG /ML	24	Product Tentatively Approved
7	Heparin Sodium and Sodium Chloride 0.9% Injection	24	Existing Products
8	Sincalide (Kinevac) Lyophilized Powder for Injection	22	Product Tentatively Approved
9	Ondansetron Hydrochloride Injection	21	Existing Products
10	Labetalol Hydrochloride Injection	17	Existing Products
11	Imipenem and Cilastatin for Injection, USP	14	Product Filed. Awaiting Approval
12	Metoprolol Tartrate Injection, USP	13	Existing Products
Total		**486**	

Source: IQVIA, Drug shortage database from USFDA (https://www.accessdata.fda.gov/scripts/drugshortages/default.cfm)

Consolidation Trend to Favour Established Players

During the last decade, a significant number of acquisitions have led to consolidation in the industry. Expansion of product portfolio, strengthening the pipeline and expansion of manufacturing bases are key drivers of acquisition. Consolidation has created entry barriers in the form of scale for new players.

Key Transactions in Injectables

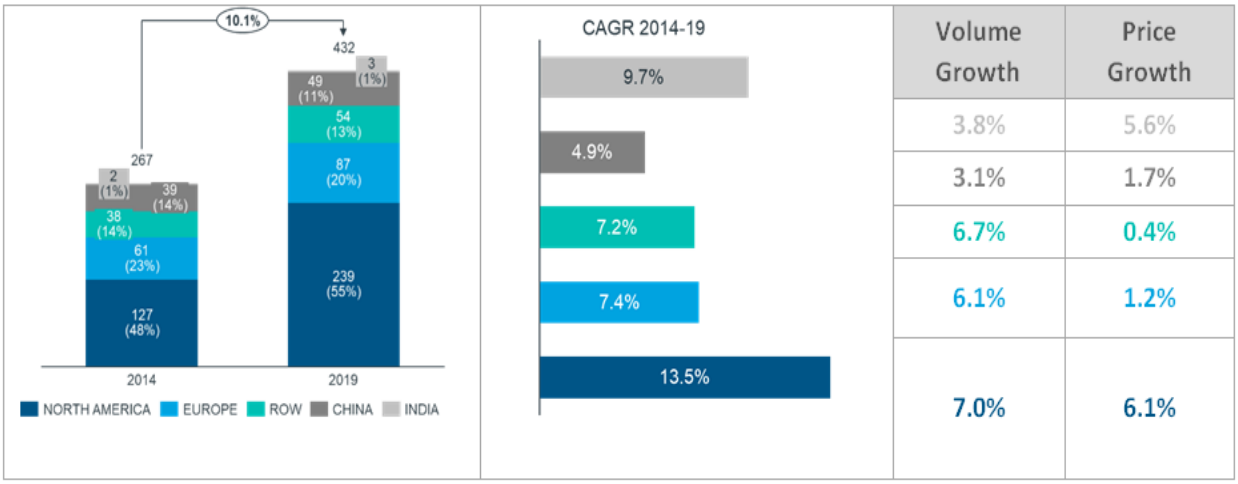
Year	Acquirer	Target	Deal Value in US$ million (approximately)
2019	Recipharm (Sweden)	Nichepharm (India)	11[1]
2019	Aurobindo (India)	Spectrum Pharma (USA)	300[2]
2018	Hikma (USA)	Medlac (Vietnam)	17
2017	Baxter (USA)	Claris (India)	625[3]
2017	Fosun (China)	Gland (India)	1,091[4]
2016	Recipharm (Sweden)	Nitin (India)	103[5]
2015	Pfizer (USA)	Hospira (USA)	17,000[6]
2014	Pfizer (USA)	Innopharma (Ireland)	360[7]
2014	Hikma (USA)	Bedford Labs (USA)	300[8]
2013	Mylan (USA)	Agila Specialties (India)	1,750[9]

Source: IQVIA

GEOGRAPHIC SEGMENTATIONS OF GLOBAL INJECTABLES MARKET

According to the IQVIA Report, North America accounted for the largest share by value of 55% in 2019 and was estimated to be worth of US$239 billion, followed by Europe with a market share of 20% with an estimated value of US$87 billion. China accounted for 11% of market share with an estimated market of US$49 billion in 2019, while India had 1% market share with a US$3 billion market. The remaining 13% was contributed by the RoW, estimated at US$54 billion.

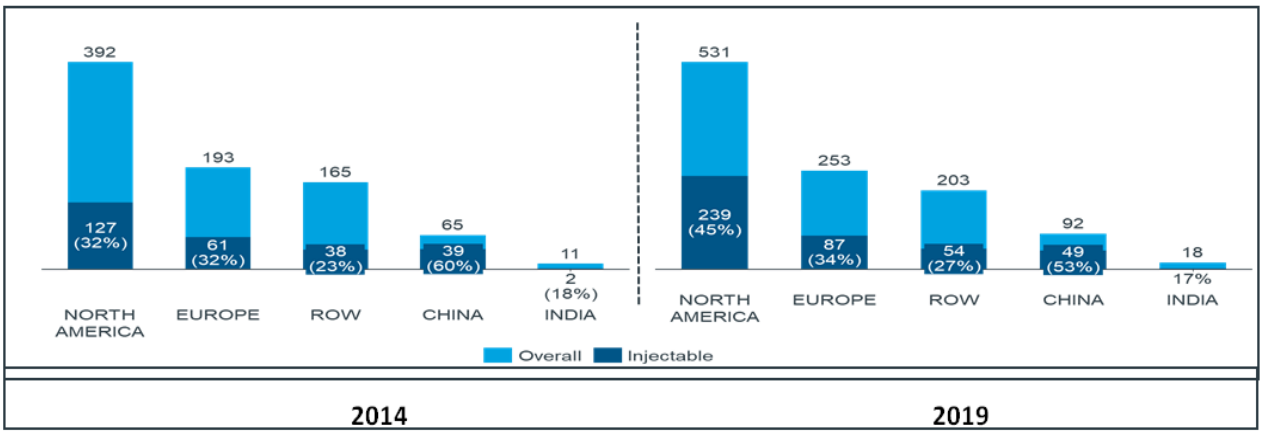
Global Injectables Market: Geographic Distribution, 2014-2019 *(values in USD billion)*



Source: IQVIA

Note: MAT September 2014-2019

Overall Market with Injectables Market, 2014-2019 (values in US$ billion)



Source: IQVIA

Note: MAT September 2014-2019

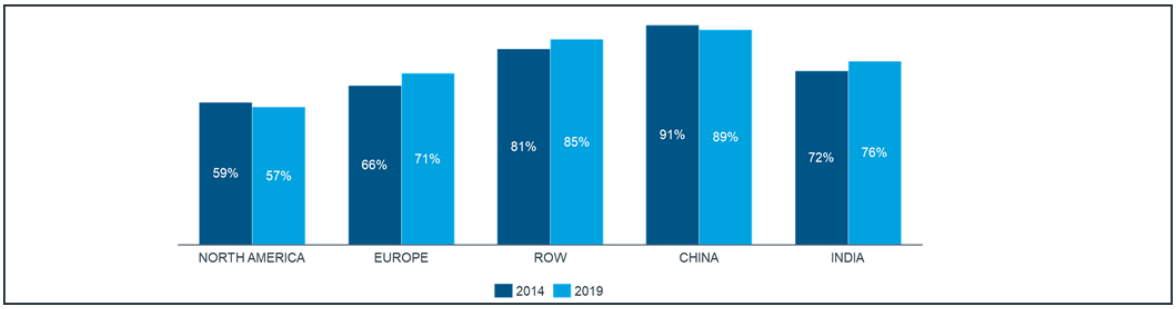
According to the IQVIA Report, Japan, Russia, Korea and Saudi Arabia are the key markets contributing to approximately 68% of overall ROW injectables market. Japan's injectables market size was estimated at US$22.9 billion in 2019 and grew at a CAGR of 3.8% in the last five years from 2014 to 2019, followed by Russia and Korea with an estimated market size of approximately US$4 billion each with a CAGR of 10% and 8.7%, respectively. India's injectables market witnessed growth primarily on account of rising prevalence of chronic diseases such as diabetes and growth in demand of insulin and certain therapeutic areas (i.e. nervous system, musculoskeletal system, gastro intestinal system, respiratory system and systemic anti-infective), which constituted approximately 67% of the generic injectables market in India in 2019.

Global Generic Injectables Market

According to the IQVIA Report, China had the highest generic penetration by volume in the injectables form in 2019, while North America had the lowest percentage. Generic penetration mostly increased across the geographies during the last few years, except for North America and China where the value of the market has however, increased and grown by 12.5% and 3.0% respectively. The key generic injectable molecule volumes that have decreased in North America are Hydromorphone, Ondansetron, Morphine, Vancomycin & Midazolam. The generic injectable molecules that have decreased in volumes in China are Ascorbic Acid, Pyridoxine & Levofloxacin.

North America had the lowest generic penetration of approximately 57% across the geographies. China and India had the highest generic injectables market share estimated at 89% and 76%, respectively. Europe had injectables generic contribution by volumes estimated at 71%.

Penetration of Generics in Injectables Form, 2014 and 2019 (% volume share)



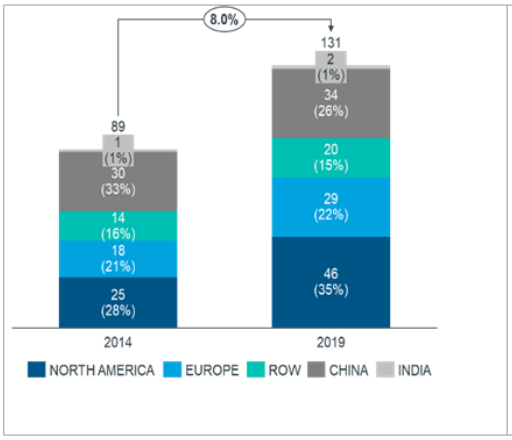
Source: IQVIA

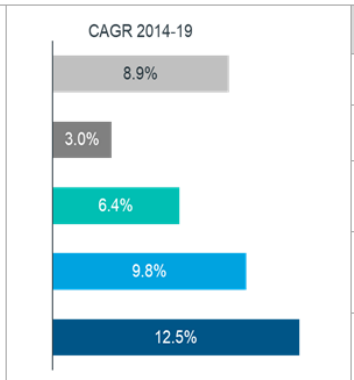
Note: MAT September 2014-2019

Note: Generic penetration is estimated on the volume of molecules which have already been genericised

According to the IQVIA Report, North America formed approximately 35% of the generic injectables market by value and grew at a CAGR of approximately 12.5% from 2014 to 2019. The generic injectables market by value grew at a CAGR of approximately 8.9% and 9.8% in India and Europe, respectively, from 2014 to 2019.

Global Generic Injectables Market: Geographic Distribution, 2014-2019 (values in US$ billion)





Volume Growth	Price Growth
2.5%	6.3%
1.0%	2.0%
4.2%	2.1%
7.0%	2.7%
7.0%	5.1%

Source: IQVIA

Note: MAT September 2014-2019

Product Type Segmentations

Overview of the global injectables market according to therapeutic areas

The global injectables market is fairly-concentrated with a few therapies forming 80% of the market by value.

- Antineoplastics (cancer drugs) and immunomodulators (drugs to reduce or improve the strength of the immune system) formed about 36% of the injectables market by value or approximately US$155 billion in 2019 and generics in this therapeutic area formed 12% of generic injectables market by value which was approximately US$15 billion in 2019.

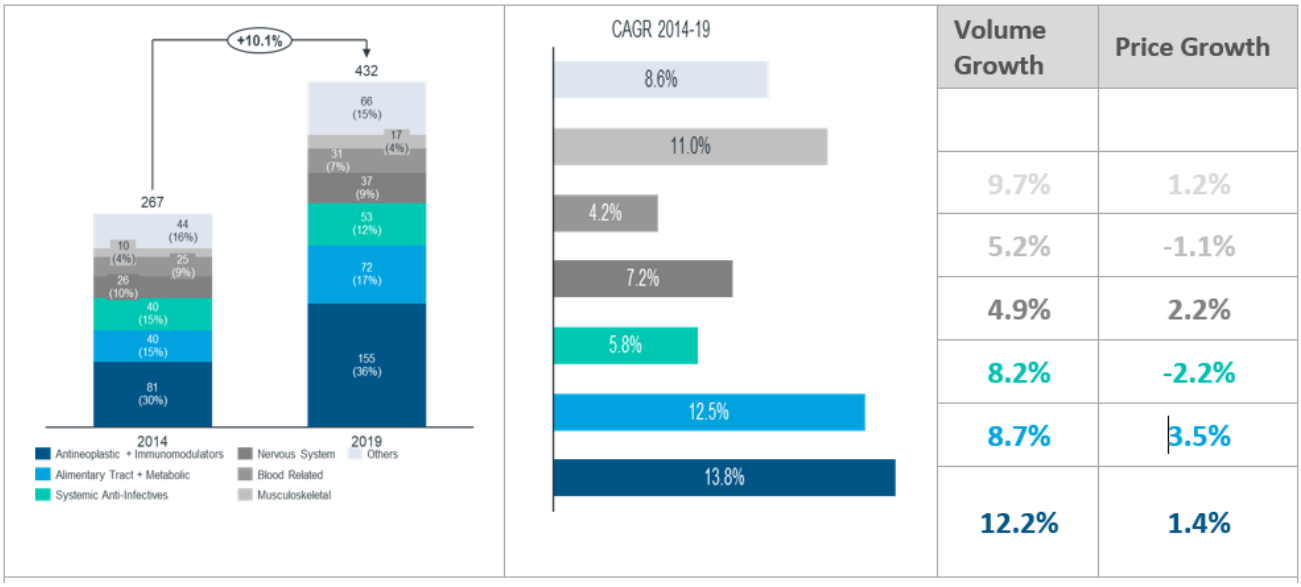
- Alimentary tract and metabolic drugs, mainly consisting of diabetic drugs (insulin) contributed about 17% of the global market by value or approximately US$72 billion in 2019. Other relatively smaller therapies within this class include intestinal disorder drugs, anti-flatulents and anti-emetics. Generic injectables in this therapeutic area formed 7% of the generic injectables market in 2019.

- Systemic anti-infective contributed to 12% of the global injectables market by value or approximately US$53 billion in 2019, with vaccines, antibacterial and gammaglobulin (antibodies) being the major contributors to the therapy. Generics in this therapeutic area formed 35% of the generic injectables market by value which was approximately US$ 46 billion in 2019.

- Nervous system and blood-related therapies together contributed 16% of the global injectables market by value or approximately US$68 billion in 2019. Generics in this therapeutic area formed 6% of the generic injectables market by value in 2019.

- Musculoskeletal therapy contributed to 4% of the global injectables market by value or approximately US$17 billion in 2019. Generics in this therapeutic area formed 4% of the generic injectables market by value in 2019.

Global Injectables Market: Therapeutic Areas Distribution, 2014-2019 (value in US$ billion)

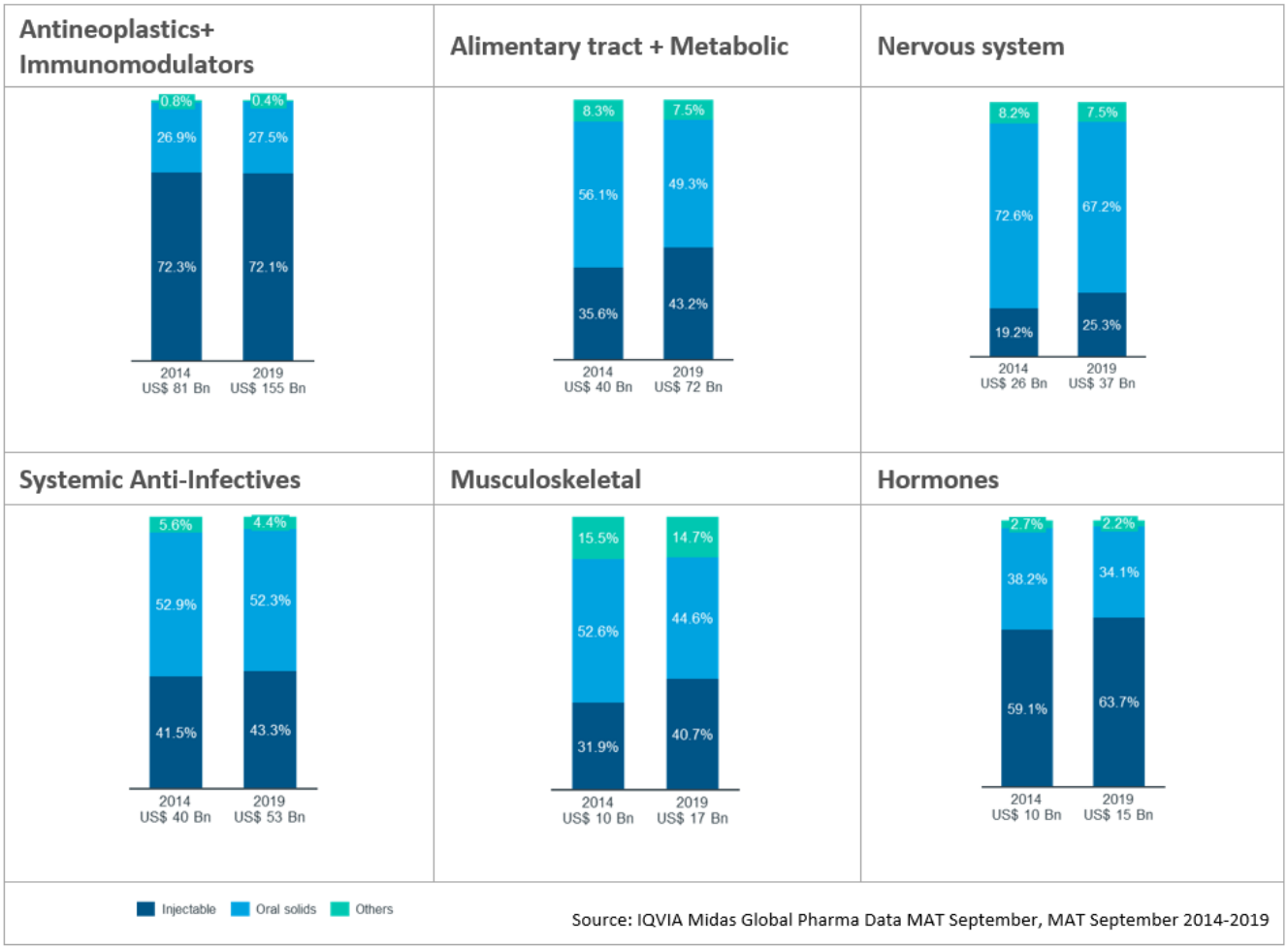


Source: IQVIA

Note: MAT September 2014-2019

The share of injectables dosage forms has been consistently increasing over the last five years in key therapies reinforcing its position as the fastest-growing dosage form. The graphs below show the increase of the share of injectables in key therapeutic areas.

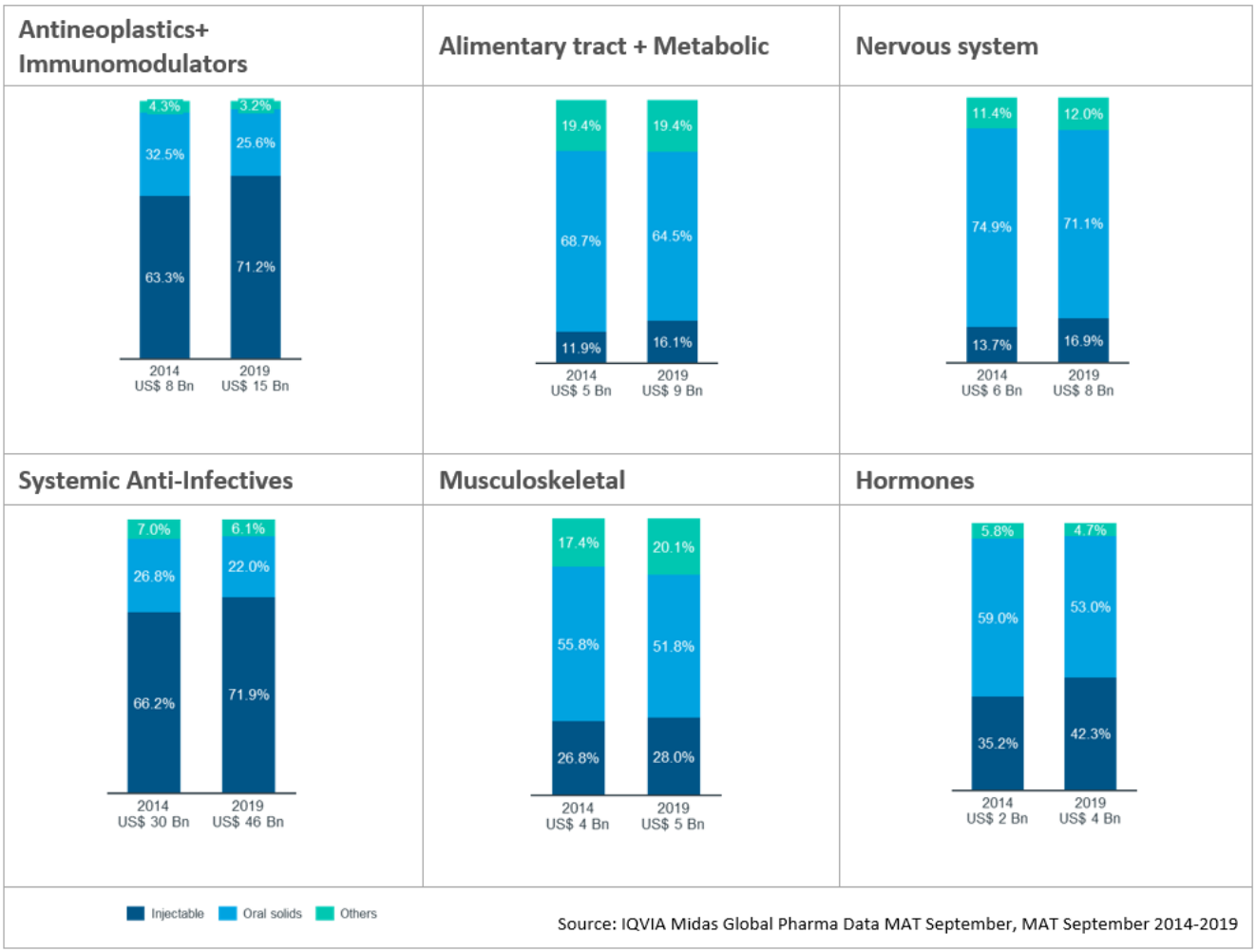
Share of Injectables in Key Therapeutic Areas by Value 2014-2019 (in %, US$ billion)



Source: IQVIA

Note: MAT September 2014-2019

Share of Generic Injectables in Key Therapeutic Areas by Value 2014-2019 (in %, US$ billion)

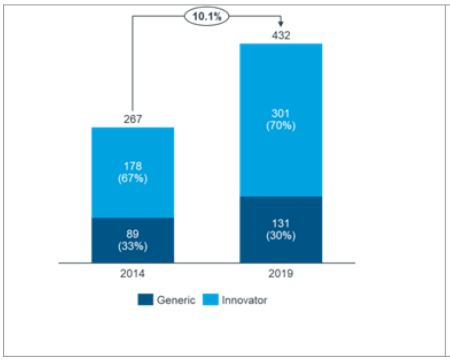


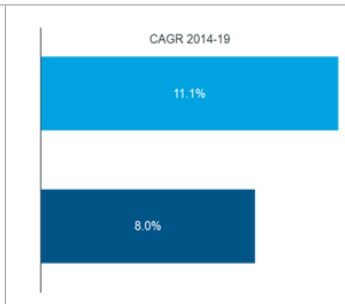
Source: IQVIA

Note: MAT September 2014-2019

According to the IQVIA Report, the generics market constituted 30% of the overall injectables market by value and was estimated at US$131 billion in 2019. Generic injectables grew at a CAGR of 8.0% during the last five years from 2014 to 2019. Innovator brands were estimated to have a market size of US$ 301 billion in 2019 and grew at a CAGR of 11.1% from 2014 to 2019.

Global Injectables Market: Innovator and Generic, 2014-2019 (value in US$ billion)

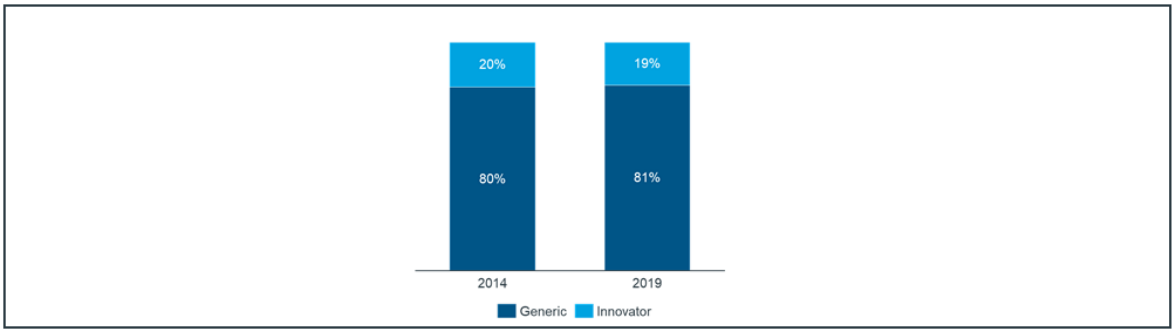




Volume Growth	Price Growth
7.0%	3.9%
4.8%	3.1%

Source: IQVIA
Note: MAT September 2014-2019

Global Injectable Market: Innovator and Generic Volumes, 2014-2019 (in %)



Source: IQVIA

Note: MAT September 2014-2019

Overview of Delivery Systems in Global Injectables Market

Injectables are administered through multiple delivery systems which include infusion systems, PFS, vials, cartridges, ampoules and a few other delivery forms. Infusions, pre-filled syringes ("**PFS**") and vials are the most preferred delivery systems contributing to approximately 85% of the global injectables market in 2019. Infusion therapy is an alternative to oral treatment in which the medication is administered into a vein and secured. This treatment traditionally predominant in hospitals is now being increasingly used in outpatient treatment with focused infusion therapy centres and at home by trained nurses.

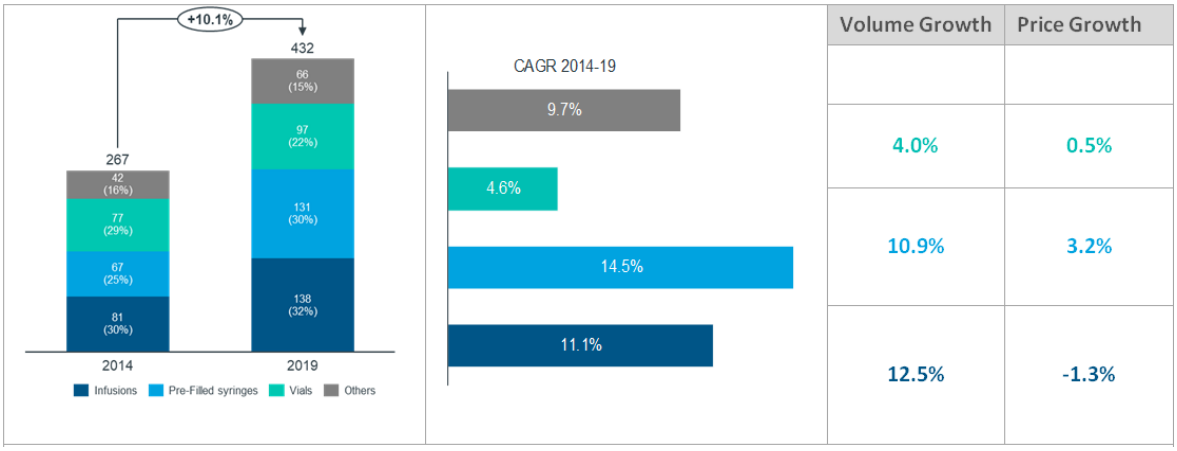
Fill and finish, or aseptic technology is gaining prominence among manufacturing partners

Fill and finish is an advanced aseptic processing technology, which uses a continuous process to form, fill with drug or biologic and seal the container in a sterile environment. Most of the manufacturing partners specialising in injectables outsourcing are developing fill-finish capabilities to meet the growing needs of the market

PFS grew in preference for healthcare professionals at a CAGR of approximately 14.5% from 2014 to 2019. PFS is a single dose packet of vaccine to which the needle has been fixed by the manufacturer. PFS has multiple advantages on counts of convenience, affordability, accuracy and safety for both patients and healthcare professionals. PFS also benefits the pharmaceutical companies by saving on the cost of vials as PFS works well with both safety devices and auto-injection systems.

The following graph shows the changes of different delivery systems over the years in the global injectables market.

Global Injectables: Segmentation by Delivery Form, 2014-2019 (values in US$ billion)



Source: IQVIA

Note: MAT September 2014-2019

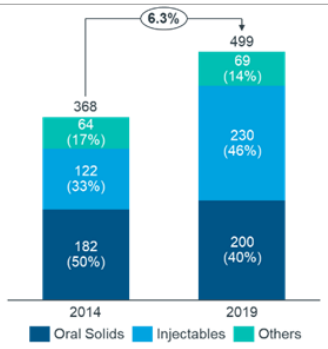
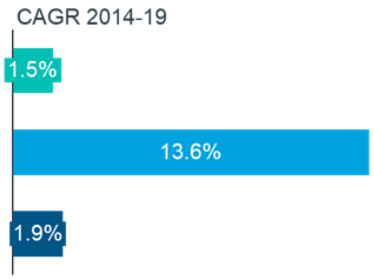
According to the IQVIA Report, antineoplastics and immunomodulators are the leading therapies within infusion and PFS delivery systems contributing to approximately 50% of the value of each of these delivery systems in 2019. Nervous system therapies and systemic anti-infectives collectively contribute to around 20% of the value of the two delivery systems in 2019.

OVERVIEW OF THE UNITED STATES INJECTABLES MARKET

According to the IQVIA Report, injectables in the United States constituted the largest format of drug delivery systems, accounting for approximately 46% by value of the United States pharmaceutical market in 2019. The United States injectables

market was estimated to be US$230 billion in 2019, growing at a CAGR of approximately 13.6% from 2014 to 2019, faster than the other segments. Injectables have grown from a 33% market share by value in 2014 to approximately 46% in 2019.

United States Pharmaceutical Market, 2014-2019 (values in US$ billion)

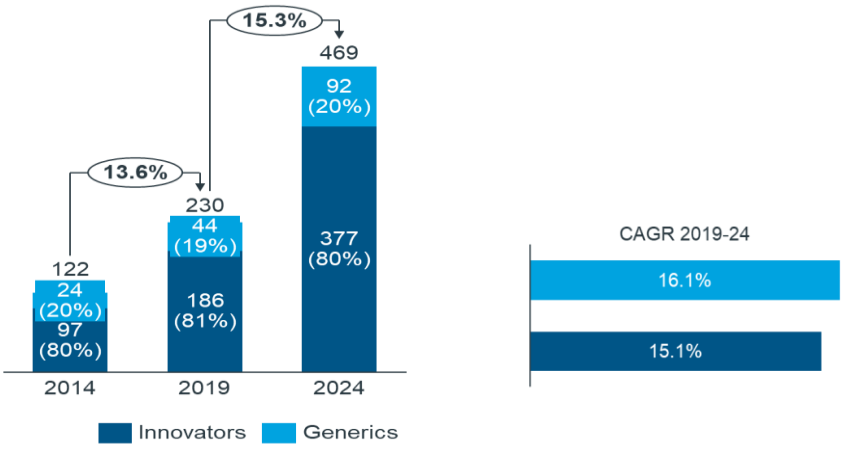
(Values in USD Bn)	*CAGR (2014-19)*	Volume Growth	Price Growth
		-6.2%	8.2%
		6.9%	6.2%
		-1.9%	3.9%

Source: IQVIA

Note: MAT September 2014-2019

According to the IQVIA Report, innovator molecules contributed 81% and generics contributed 19% of the market by value in 2019. The market is estimated to grow at a CAGR of 15.3% to reach US$469 billion by 2024. Innovator molecules are expected to cover 80% of the market along with expected new drug introductions, and generics are estimated to form 20% of the market by value in 2024.

United States Injectables Pharmaceutical Market, 2014-2019 (values in US$ billion)



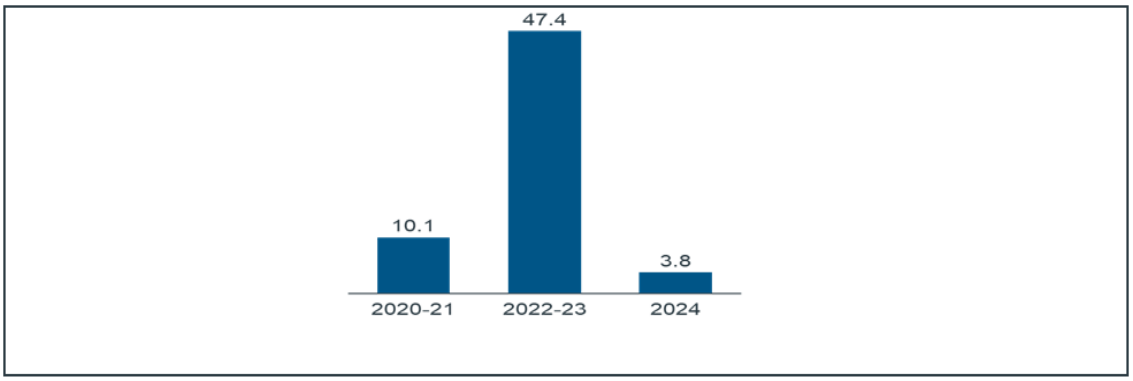
Source: IQVIA

Note: MAT September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

Generic Injectables were expected to grow at approximately 16.1% from 2019 to 2024

IQVIA expects generics to grow at a CAGR of approximately 16.1% from 2019 to 2024, higher than historical growth of approximately 12.5% from 2014 to 2019. This is primarily due to doubling of the value of molecules losing exclusivity in 2020 to 2024 as compared to 2014 to 2019. The value of injectables molecules in 2013 which lost patent protection during 2014 to 2019 was US$32.8 billion and the value of injectables molecules in 2019 which are expected to lose patent protection between 2020 and 2024 is US$61.3 billion. The market value of molecules for loss of exclusivity (LoE) calculations was based on pricing of innovators in 2013 and 2019.

United States: Current Value of LoE of Injectables Molecules in 2020-2024 (values in US$ billion)

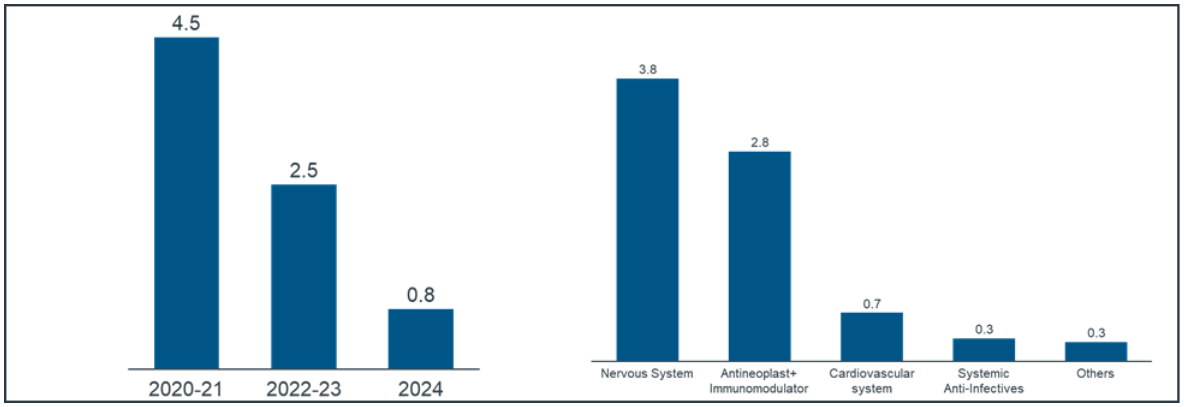


Source: IQVIA.

Note: 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

According to the IQVIA Report, the value of small molecule injectables in 2019 expected to lose patent protection between 2020 and 2024 is US$ 7.9 billion. The key therapeutic areas for the molecules losing patent protection between 2020 and 2024 include nervous system, antineoplastic and immunomodulators, and cardiovascular system and systemic anti-infectives.

United States: Value of LoE of Small Molecule Injectables during 2020 to 2024 in 2019 (US$ billion)



Source: IQVIA

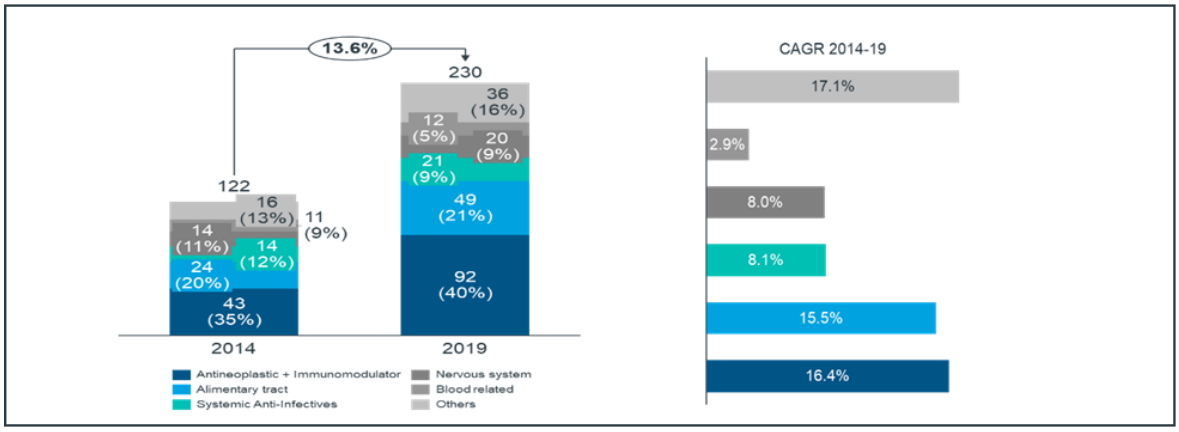
Note: 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

According to the IQVIA Report, genericisation of innovator molecules is expected to add US$5.4 billion during 2019 to 2024. The volume share gain by generics from year of LoE to year five of LoE is expected to grow from 0.5% to approximately 30% of market share. The price of generics is expected to be on an average of approximately 70% lower than pre-LoE innovator price by the fifth year of LoE for injectables molecules.

Therapy Area Overview of US Injectable Market

According to the IQVIA Report, the United States injectables market was relatively concentrated with a few therapies forming 80% of the market by value in 2019.

US Injectable Pharmaceutical Market by Therapeutic Areas, 2014-2019 (values in US$ billion)

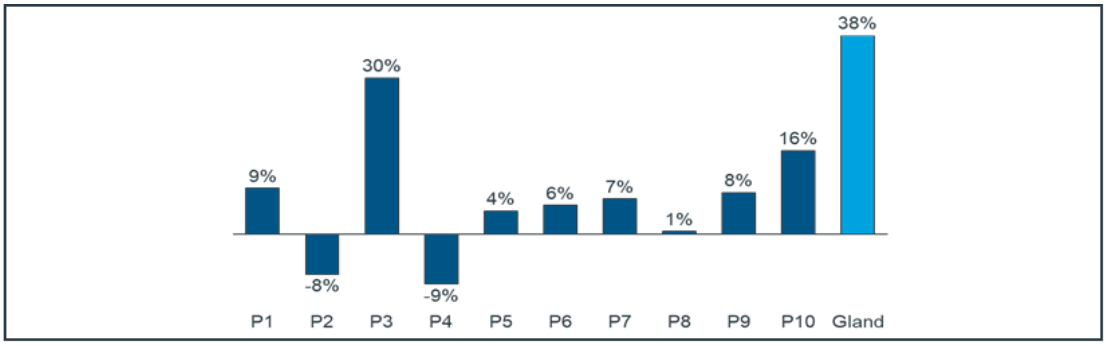


Source: IQVIA

Note: MAT September 2014-2019

According to the IQVIA Report, Gland grew at a CAGR of approximately 38% from 2014 to 2019 and was the fastest-growing small molecule generic injectables company in the United States market. According to the IQVIA Report, Gland ranked 23rd in the list of small molecule generic injectables player in the United States market.

Sales of Small Molecule Generic Injectables by Companies in the United States (values in US$ million in 2019) (CAGR from 2014 to 2019)



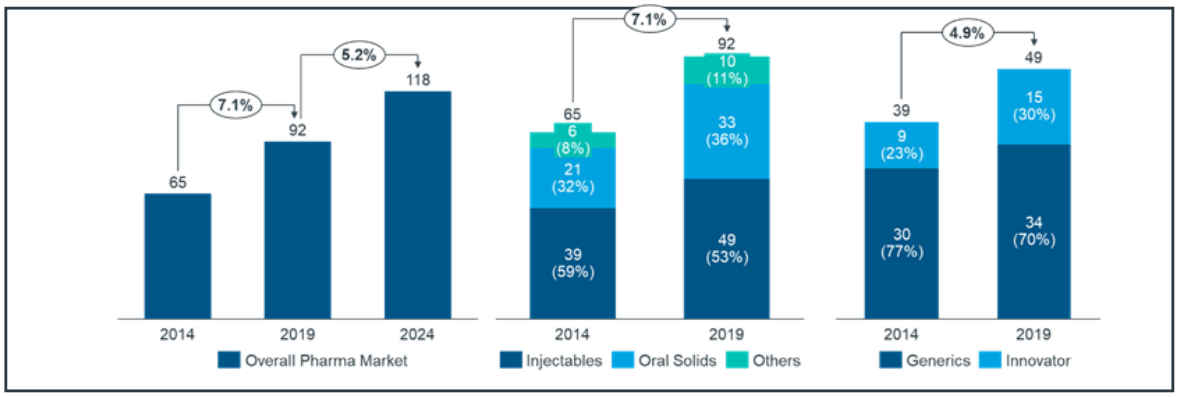
Source: IQVIA

Note: Companies indicate marketers. IQVIA has been carried out with all B2C or marketing companies in the United States and compared their growth with Gland or our partners. P1 means Player 1, P2 means Player 2, etc.

Chinese Market Overview

According to the IQVIA Report, the pharmaceutical market in China was estimated to be approximately US$92 billion in 2019, growing at a CAGR of 7% from US$65 billion in 2014. IQVIA estimates the overall pharmaceutical market by value to grow at a CAGR of approximately 5% from 2019 to 2024.

China Pharmaceutical Market and Injectables Market, 2014-2019 (values in US$ billion)



Source: IQVIA

Note: MAT September 2014-2019. 2024 is forecast for MAT September 2024, based on MAT data until September 2019.

Although the injectables market share by value dropped from 59% of overall market in 2014 to 53% in 2019, the generics injectables market constituted 70% of the overall injectables market in 2019.

The injectables market saw slower growth as compared to other regions at a CAGR of 5% from 2014 to 2019 due to higher barriers and extreme price deflation measures within China. The growth of generic injectables was 3% from 2014 to 2019, which was lower compared to other regions.

The scale of the country and varied demographics hinder foreign pharmaceutical companies to penetrate the market. Accordingly, partnerships with established Chinese players are a good way to grow in the market.

The Chinese government has also reviewed drug pricing and increased the number of essentials drugs. Increasing price transparency and lower prices are driven through high volume tenders. Tender prices are increasingly transparent, with procurement data platforms allowing provinces access to benchmark prices achieved in other provinces, imposing continuous downward pressure on prices which could increase the market entry barriers for foreign companies. This is a major entry barrier for companies to market branded drugs but could be an advantage for generic pharmaceutical companies. Generics pharmaceutical companies with partnerships with Chinese companies could have an advantage to succeed in the market.

OVERVIEW OF KEY BUSINESS MODELS IN INJECTABLES MANUFACTURING

There are primarily two models which global injectables manufacturing companies operate:

- *B2C (Business to Consumer)* – this is the traditional model where the finished dose formulations are marketed by major pharmaceutical companies to the final customers. These companies can manufacture the formulation or outsource the manufacturing, incur development expenses, and own intellectual property rights. Major players who follow this B2C model include Hikma, Fresenius Kabi, Amphastar, Sagent, American Reagent, Mylan, Teva and Sandoz.

- *B2B (Business to Business)* – this predominantly includes value-added manufacturing partners which specialise in manufacturing various injectables formulations and provides other value-added services to injectables marketing companies. Drug marketer companies partner with CMOs who offer them outsourced manufacturing solutions. Major players who follow this B2B model in injectables include Gland, Recipharm, Lonza and Piramal Pharma Solutions.

Some of the large B2C pharmaceutical companies are also active in the B2B market, such as Pfizer Centreone, Merck Bioreliance, Abbvie, Baxter, Ratio Pharma, Sanofi and GSK.

B2B models are primarily divided into two primary sub-categories of businesses, which are IP-led players and technology transfer players.

The following aspects are considered while determining which type of B2B category a corporation belongs to:

	IP-led players	**Technology transfer players**
Intellectual Property/ ANDA Ownership	Own the IP /ANDA	Do not own IP /ANDA
Developmental costs	Incurred by CDMO	Borne by drug marketer
Revenue Model	Usually opt for a different scheme based on the manufacturing stage of the drug: (a) For drugs which are in development stage – charged on the basis of a milestone fee plus transfer price plus profit margin (b) For drugs which are already approved – a license fee plus transfer price plus profit margin is charged from the marketer	Usually charge their customers on a cost of manufacturing (COGS) plus profit margin basis (where often the profit margin is a fixed percentage of the COGS).

Intellectual Property / ANDA Ownership: IP-led players usually have their own proprietary know-how and own the intellectual property for the manufacturing process. They often have the ANDAs approved under their name. Technology transfer players do not develop their own patented process and instead rely on their customer (the pharmaceutical companies) to provide them with the specific know-how and process to be followed. In this category, the marketer holds ownership of the IP and ANDA.

Development Costs: Development costs refer to the costs incurred for various steps involved in developing new drug entities such as formulation development, stability studies, method development, clinical trials, etc. In businesses following the IP-led

model, the development cost is usually incurred by the CDMO, whereas in the case of technology transfer players the development cost is typically borne by the drug marketer.

Revenue Model: Another indicator for differentiating B2B sub-categories is the revenue model of the company. B2B players following the technology transfer model usually charge their customers on a COGS plus profit margin basis (where often the profit margin is a fixed percentage of the COGS). On the other hand, B2B players following the IP-led model usually opt for a different scheme which is based on the stage the drug being manufactured is in.

Nature of end customer for B2B and B2C

Manufacturing partners and pharmaceutical marketing companies differ significantly from the perspective of the final customers to whom the products are sold. Manufacturing partners (i.e. B2B players) enter into contracts with pharmaceutical companies to manufacture products based on certain specifications provided by the pharmaceutical company in accordance with market regulations and requirements. These contracts are mostly based on profit share, milestones or royalty payment arrangement. The pharmaceutical company is responsible for branding and forwarding the products to consumers or patients through the distribution network specific to the geography.

Pharmaceutical companies sell their products to distributors who then sell the products to end consumers through pharmacies and retailers.

Key success factors for B2B Model

- *Early entry to the market*: Since the majority of injectable products are sold through hospital channels, early entry helps in building scale to defend pricing pressure due to increasing competition.

- *Quality Compliance*: During the last few years, regulatory scrutiny has increased across the forms. Good track record of quality compliance with regulatory requirements and customer inspections provide confidence in supply continuity to marketers.

- *Differentiated Portfolio/Capabilities*: Portfolio with limited competition and complex manufacturing helps in generating better profitability. Niche capabilities like liposomal injectables, depots and long-acting injectables help in building stickiness with marketing partners over longer period without significant pricing pressure.

- *Cost Leadership*: In a B2B model, multiple partners will be sharing profit margin of the value chain. Hence, cost competitiveness becomes critical to exhibit consistent revenue growth.

Key strengths of a B2B model as compared to a B2C model

- *Steady or predictable cash flow*: B2B players generally have long-term supply contracts ranging from three to five years with marketing partners, providing predictability of medium-term revenue. Partnership between marketers and B2B players are close due to lack of quality injectables manufacturers with good regulatory track record. These factors help B2B players with an ascertained and agreed minimum order quantity thus giving them a better visibility to cash flow.

- *Better operating profits*: B2B players have a lower cost profile due to lack of higher SG&A expenses as compared to B2C players, which improves profitability.

- *Lower R&D litigation risks*: B2B players can reduce risk by partnering with a marketing partner to cover R&D litigation expenses in certain products.

- *Better scale at product and overall level*: Due to non-exclusive contracts between B2B players and marketing partners, B2B players can derive scale benefit at a product as well as form level. For example, a B2B player can supply a product to multiple marketing partners and hence establish dominant share in a molecule.

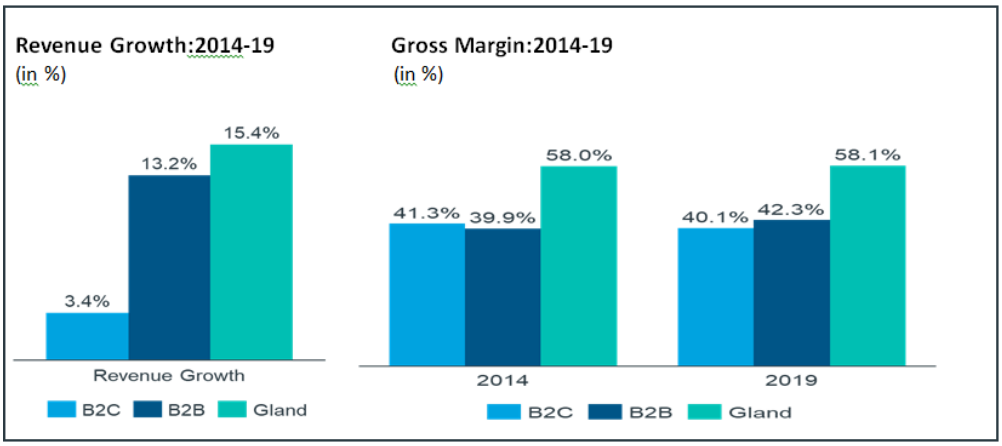
- *Less subject to fluctuation of raw material prices given transfer pricing captures bulk of the profit*: B2B players with an IP-led model generate revenue from transfer pricing and profit sharing agreement with marketers. Revenues and profits through transfer pricing are immune to raw material price fluctuations considering transfer price is established through mark-ups over raw material prices. Hence, sensitivity of revenue and profit margin to raw material fluctuations are lower compared to marketing companies.

- *Lower working capital requirement against B2C*: B2B players have a lower working capital requirements as compared to B2C players due to better inventory management, planned payables and better visibility of receivables under agreement with B2C players.

According to the IQVIA Report, B2B players witnessed faster growth in revenue in the past five years as compared to their B2C peers. B2B players witnessed revenues growth at a CAGR of approximately 13% from 2014 to 2019, as compared to revenue growth of B2C players at a CAGR of approximately 3% during the same period. According to the IQVIA Report, Gland's revenues grew at faster pace of 15.4% CAGR between 2014 and 2019.

In terms of profitability, B2C players were able to generate gross margins at approximately 40.1% in 2019, while B2B players generated gross margins at approximately 42.3%. Further, there has been a decline in the average gross margins of B2C from approximately 41.3% in 2014 to approximately 40.1% in 2019, while the gross margins of B2B players increased from 39.9% in 2014 to 42.3% in 2019. According to the IQVIA Report, Gland had a higher gross margin of 58.0% in 2014 which grew to 58.1% in 2019.

Revenue Growth and Profitability Comparison



Source: IQVIA, Thomson Reuters, Gland

Note: MAT September 2014-2019

THE IMPACT OF THE COVID-19 PANDEMIC ON GLOBAL PHARMACEUTICAL GROWTH

The COVID-19 pandemic has been fast-moving and has had very serious and unprecedented effects in many countries, which are still unfolding. Regions in North America, Europe, China and India have seen a lower pharmaceutical market growth rate in 2020 due to the COVID-19 pandemic. Any potential impacts on pharmaceutical consumption are also complex, multifaceted and very difficult to predict. Although there is currently no treatment or vaccine for COVID-19, the pandemic is still expected to impact pharmaceutical markets, with seven key themes identified:

1. ***Economic impact on growth:*** The COVID-19 pandemic is already causing a slowdown in economic growth around the world and this may have knock-on effects for pharmaceutical markets which are sensitive to the country's economic growth. In contrast, in many developed markets it is thought that pharmaceutical sales are generally protected from economic downturns.

2. ***Impact on APIs/Generics:*** The industry faces interruptions to the supply chain, given that China is a key global source of APIs. For example, India's dependence on China for around 70% of API imports meant that disruptions in China's API production caused upward pressure on drug prices in India in early 2020. Where disruption to the supply from China and India persists, especially if COVID-19 spreads significantly in India, this could trigger price increases globally for affected products, particularly generics.

3. ***Upsurge in demand for medicines to alleviate COVID-19 symptoms:*** Shortly following the COVID-19 outbreak significant consumer panic purchasing of OTC medication was witnessed in several countries. This has included increases in the sale of immunity enhancing treatments, vitamins, analgesics (especially paracetamol), anti-infectives, and cough and cold medications. This is expected to lead to a short term boost in retail volume growth in those countries most affected.

4. ***Delays in treatment of non-COVID-19 patients:*** Hospitals under increasing pressure to accommodate COVID-19 in-patients have deprioritised elective surgeries and other treatments. The drug sales for certain treatments could reduce due to the reduced focus on non-COVID-19 patients.

5. ***Face-to-Face interactions minimised:*** Due to concerns regarding COVID-19 transmission, face-to-face interactions between healthcare professionals and pharmaceutical industry representatives has already fallen in many countries. This trend is expected to continue and may lead to a small negative impact on pharmaceutical sales.

6. ***Impact on innovation:*** Manufacturers may consider postponing their approach to new product launches to beyond the peak of the pandemic. Lack of personnel could also result in delays to regulatory approvals and formulary listings. This may have a short-term impact on pharmaceutical sales growth in the countries affected, most notably in the hospital sector.

7. ***Travel Restrictions & Medical Tourism*****:** Reductions in medical tourism is expected to cause a decrease in sales and retail sector pharmaceutical consumption. Widespread travel restrictions and border closures globally, will constrain pharmaceutical consumption through hospital and private sector outlets.

Focus areas for the pharmaceutical sector include the following:

Focus 1 -- Medicines supply & demand

The COVID-19 pandemic has actual and potential impacts on medicines manufacturing, supply and demand.

The global pharmaceutical industry has become far more integrated in terms of Active Pharmaceutical Ingredients (APIs) and finished medicines manufacturing, and supply for the high volume medicines used to treat the majority of patients over the past decade. The COVID-19 pandemic has therefore unsurprisingly raised concerns about the resilience (and vulnerability) of such a highly interdependent network as waves of countries are affected by the virus. China is a significant and growing API supplier, and those APIs make their way into generics which supply the European and US markets, among others.

The refocus of healthcare systems to managing the immediate COVID-19 crisis, combined with lockdowns and social distancing, fundamentally means a reduction in routine healthcare system contacts. In the United States, this has already resulted in longer prescriptions in retail pharmacies in terms of number of days of prescription so that renewals need to be more infrequent and this trend is also seen in other countries. However, in the medium term treatments for chronic illness, especially chronic asymptomatic illnesses, could see falls in treatment initiation and switch because these require healthcare professional intervention, which most commonly would have happened face to face. This may be concurrent with a rise in repeat prescriptions as patients stock up in anticipation of isolation. In either scenario, changes in how medicines are prescribed and dispensed may need to be made. In the United States there is already a switch taking place to longer term repeat prescriptions. The result will be a drop in the share of major chronic medication markets that is dynamic (i.e. new or switched prescriptions). Pharmaceutical companies will need to monitor if this happens and find ways to reinitiate the dynamic market should it contract.

Demand challenges fall into three main groups:

Primary demand: products managing infection control (e.g. face masks, hand hygiene, disinfectant, and other disposable paper items and surgical devices). These items have already seen very significant increases in demand over the previous period in 2019, for example, in Italy in February 2020. There is also primary demand for treatments for fever such as paracetamol and other anti-pyretics. In the United Kingdom, paracetamol has seen very large volume increases commencing in March 2020 versus the 2020 average.

Adjacent to primary demand: treatments associated with respiratory infections such as antibiotics (even though the main culprit is a virus), and asthma and other respiratory medications. Beclomethasone and salbutamol, both asthma treatments, each saw large increases in volume in the United Kingdom week commencing in March 2020.

Other stocking up effects: these are possible where patients are on chronic medications for long term conditions, such as diabetes or are cardiovascular patients anticipating isolation or reluctant to visit healthcare facilities.

There are multiple molecules, all currently unlicensed for COVID-19, which have been discussed as possible treatments for COVID-19. The WHO publishes a regularly updated landscape of pharmacotherapies under consideration.

Focus 2 -- Clinical trials and regulatory engagement

Regulators will be under increasing pressure to rapidly approve treatments while ensuring effective evaluations of efficacy and safety. Regulators are also moving swiftly to find ways to facilitate non-COVID-19 related clinical trials which have been impacted by the crisis. The USFDA, for example, announced in March 2020 that there would be more leeway in the marketing of remote monitoring devices which could help continue trials under way by supporting patients who cannot (or do not wish to) visit health facilities. The USFDA has already recommended the increased virtualisation of clinical trials wherever possible, including telehealth, phone interviews and self-administration. This could be a catalyst for a shift to increased virtualisation of clinical trials in the longer term.

Focus 3 -- Engagement with healthcare professionals

Face to face interactions of all types have been minimised unless absolutely necessary. Many pharmaceutical and life sciences companies recognised early on in the pandemic that their employees' role in moving between health facilities and health

professions was a possible danger and proactively reduced these interactions. However, healthcare practitioners' need for information and support remains and data shows an increase in remote interactions to compensate.

Focus 4 -- Mapping out the strategic implications for the medium and longer term

It is possible that remote communication and remote interaction on clinical trials will become even more routine than it is now. There is a specific challenge for launches which were planned in this time period. Not only will postponed launches be entering a very different healthcare environment to that for which the launch was planned but there also are likely to be more launches in a shorter space of time. Both issues necessitate a launch planning rethink. Healthcare delivery itself may see an accelerated shift to digital. The rise of remote engagement is a strong driver to technology companies who were already active in putting into place telemedicine and remote engagement technologies. Finally, the progress towards an increasingly interdependent manufacturing and supply chain globally could see a slowdown, or even a reverse.

OUR BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 20 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors" on page 21. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information for Fiscals 2018, 2019 and 2020 included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" on page 186.

Unless otherwise indicated, industry and market data used in this section has been derived from the IQVIA Report. Unless otherwise indicated, all financial, operational, industry and other related information derived from the IQVIA Report and included herein with respect to any particular year refers to such information for the relevant calendar year.

Overview

We are one of the fastest growing generic injectables-focused companies by revenue in the United States from 2014 to 2019 (Source: IQVIA Report). We sell our products primarily under a business to business ("**B2B**") model in over 60 countries as of March 31, 2020, including the United States, Europe, Canada, Australia, India and the Rest of the world. We have a consistent compliance track record with a range of regulatory regimes across these markets. We also have an extensive track record in complex injectables development, manufacturing and marketing and a close understanding of the related sophisticated scientific, technical and regulatory processes. We were established in Hyderabad, India in 1978 and have expanded from liquid parenterals to cover other elements of the injectables value chain, including contract development, own development, dossier preparation and filing, technology transfer and manufacturing across a range of delivery systems. We have a professional management team and one of our Promoters, Shanghai Fosun Pharma, is a global pharmaceutical major.

We are focused on meeting diverse injectables needs with a stable supply of affordable and high quality products. We have established a portfolio of injectable products across various therapeutic areas and delivery systems. We are present in sterile injectables, oncology and ophthalmics, and focus on complex injectables, NCE-1s, First-to-File products and 505(b)(2) filings. Our delivery systems include liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags and drops. We are expanding our development and manufacturing capabilities in complex injectables such as peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges.

Over the years, we have made substantial investments in our manufacturing infrastructure to support our product portfolio needs and reach. We have seven manufacturing facilities in India, comprising four finished formulations facilities with a total of 22 production lines and three API facilities. As of March 31, 2020, we had manufacturing capacity for finished formulations of approximately 755 million units per annum. Our API facilities provide us with in-house manufacturing capabilities for critical APIs, enabling us to control costs and quality and mitigate supply chain related risks around our key products. Our capabilities as a vertically integrated company include internal research and development ("**R&D**") expertise, robust manufacturing capabilities, a strict quality assurance system, extensive regulatory experience and established marketing and distribution relationships.

As of March 31, 2020, we along with our partners had 265 ANDA filings in the United States, of which 204 were approved and 61 were pending approval. The 265 ANDA filings comprise 189 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmics related products. Out of these 265 ANDA filings, 100 represent ANDAs owned by us, of which 63 ANDA filings are approved and 37 are pending approval. As of the same date, we along with our partners had a total of 1,415 product registrations, comprising 368 product registrations in the United States, Europe, Canada and Australia, 54 in India and 993 in the Rest of the world. We have a consistent regulatory compliance track record and all our facilities are approved by the USFDA from whom we have had no warning letters since the inception of each facility. Other key regulatory agencies for which certain of our facilities have approvals include MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV Hamburg (Germany).

We have a successful track record of operating a B2B model with leading pharmaceutical companies such as Sagent Pharmaceuticals, Inc. and Apotex Inc. as well as Fresenius Kabi USA, LLC and Athenex Pharmaceutical Division, LLC in the United States and the Rest of the world using long-term development, licensing and manufacturing and supply agreements. Our primary B2B model covers IP-led, technology transfer and contract manufacturing models, complemented by a B2C model in our home market of India leveraging our brand strength and sales network.

We have a track record of revenue delivery and profitability across the United States, Europe, Canada, Australia, India and the Rest of the world. The following table sets forth our revenue from operations based on the customer location as a percentage of our total revenue from operations for the years specified, per Ind AS 108 – Operating Segments:

	Fiscal 2018	Fiscal 2019	Fiscal 2020
United States	71.25%	62.50%	66.74%
India	18.49%	18.97%	17.74%
Europe	3.39%	5.38%	4.44%
Canada	1.08%	1.12%	1.78%
Australia	0.69%	0.44%	0.50%
Rest of the world	5.10%	11.59%	8.80%

The following table sets forth our total revenue from operations, EBITDA and restated profit for the year, as specified below:

(in ₹ million)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Revenue from operations	16,228.93	20,442.03	26,332.40
EBITDA[(1)]	5,840.75	7,920.67	10,946.35
Restated profit for the year	3,210.51	4,518.56	7,728.58

Note:

(1) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year.

Our total revenue from operations has grown at a CAGR of 27.38% from Fiscals 2018 to 2020. Our EBITDA has grown at a CAGR of 36.90% from Fiscals 2018 to 2020. Our restated profit for the year has grown at a CAGR of 55.15% from Fiscals 2018 to 2020.

Our Strengths

We consider our business strengths to be the following:

Extensive and vertically integrated injectables manufacturing capabilities with a consistent regulatory compliance track record

Our seven manufacturing facilities are situated in southern India including two sterile injectables facilities, one dedicated Penems facility, one oncology facility and three API facilities. For details of our manufacturing facilities, including production lines and capacity utilisation, see "– *Manufacturing Operations – Facilities*" on page 130. Our manufacturing process is designed to facilitate production flexibility and deliver high and consistent product quality. Our four finished formulation manufacturing facilities with a total of 22 production lines possess the flexibility to accommodate different product requirements without the need to install new production lines. This allows us to adapt quickly to changes in product specifications, market demand and production requirements. In addition, we consider that diversification of product approvals across our multiple manufacturing units for our key products mitigates our exposure to regulatory risk with respect to any particular unit and provides increased certainty of supply.

Our flagship sterile injectables facility in Dundigal, Hyderabad, which possesses capabilities across various delivery formats, obtained USFDA approval in 2003. Our other sterile injectables facility in Pashamylaram, Hyderabad, which substantially increased our manufacturing capacity, commenced domestic sales in September 2015 and sales in the United States in September 2016 following receipt of USFDA approval in March 2016. We also have a dedicated Penems facility which filed its first ANDA in February 2014 and obtained USFDA approval in March 2016. In addition, our oncology facility received USFDA and GMP (EU) approval in 2014, and commenced commercial sales in Europe in 2015 and in the United States in 2016. Presently, we have additional capacity under installation at our oncology facility.

Our manufacturing facilities have established a consistent record of regulatory compliance with the USFDA highlighting our focus on quality assurance and quality control. We are certified as GMP compliant at all of our manufacturing facilities by the USFDA and certain facilities by the MHRA (UK), ANVISA (Brazil), AGES (Austria), TGA (Australia) and BGV Hamburg (Germany). We have had no warning letters from the USFDA (whether as a result of facility inspections or otherwise) since the inception of each facility. We have also received WHO GMP certifications for our facilities from the Drugs Control Administration (Governments of Telangana and Andhra Pradesh, India) (DCA) and we had three ISO certifications as of March 31, 2020 for our quality management, environment management and occupational health and safety management systems. Our focus on quality standards is supported by a quality assurance and quality control team which numbered 1,181 full-time employees as of March 31, 2020.

We have a total of three API facilities that provide us with in-house manufacturing capabilities for critical APIs. 24 of our ANDAs covering our key products are supported by in-house APIs. We consider that our ability to integrate backwards to manufacture our own critical APIs allows us to develop products that other companies may not focus on due to their uncertainty of API supply. Our vertical integration allows us to achieve greater control over our manufacturing processes to meet required standards, increase operating efficiencies, accelerate product development, strengthen product quality control and improve supply chain efficiencies.

Diversified B2B-led model across markets, complemented by a targeted B2C model in India

Our primary business model is B2B, covering IP-led, technology transfer and contract manufacturing models, complemented by a B2C model in our home market of India. We consider that our various B2B business models enable us to (i) grow market share in key markets such as the United States, Europe, Canada and Australia, particularly the United States, while reducing the marketing investments we need to make, (ii) leverage the reputation of our marketing partners in their home markets to build our own presence in these markets, (iii) build our own reputation as a complex injectables manufacturer with a consistent compliance record attracting confidence from other potential marketing partners, and (iv) balance profitability and capacity utilisation while continuing to deliver high manufacturing and quality standards to a broad range of customers. In Fiscals 2018, 2019 and 2020, our revenue generated from the B2B model constituted 96.27%, 95.57% and 95.99%, respectively, of our total revenue from operations for the relevant year.

We adopt the B2B IP-led model primarily for marketing our portfolio of products. Under this model, we enter into long-term development, licensing and manufacturing and supply agreements with leading pharmaceutical companies with strong and independent sales and distribution networks under which we receive licensing fees together with milestone payments tied to completion of specific product development stages. Upon commercialisation of the product, we receive the selling price per unit dose of the product and may additionally receive a profit share or royalties based on the net profit or net sales of the product, depending on the relevant terms of the agreement. Where we are responsible for making the dossier filing, we retain ownership of the relevant dossier as well as development, intellectual property and marketing rights of the product. In this case, we have the right to license the same product to our marketing partners on an exclusive or non-exclusive basis. Where our partner is responsible for making the dossier filing, we co-own with them the development and intellectual property rights whereas our partner retains ownership of the relevant dossier and marketing rights. In the filing of dossier, we along with our partner are able to prepare and apply for regulatory approval of a product before the date of expiry of the relevant patents although the product may only be launched in the market after such date. This shortens the time to market and allows us to speed up the commercialisation of our products.

Under the B2B technology transfer model, the product is partially developed by our customer and the technology required for the manufacture, testing and packaging of such product is subsequently transferred to us. We engage in certain product studies such as method transfer and validation, execution of scale-up and exhibit batches, stability studies as well as supporting our customer with dossier compilation. Under this model, we receive a selling price per unit dose of the product. Under agreements with certain partners, we are entitled to a technology transfer fee and may also receive royalties representing a percentage of the net sales revenue or profit after commercialisation of the product. Where the B2B technology transfer model is adopted, our partner retains ownership of the relevant dossier as well as intellectual property and marketing rights of the product, while we retain the manufacturing right during the term of the technology transfer agreement.

Under the B2B CMO model which is primarily for the India market, we provide fill and finish services for aseptically or terminally sterilised injectables to other pharmaceutical companies for already approved products. We enter into loan and license agreements with these pharmaceutical companies and receive manufacturing and packaging payments per unit manufactured. Under the B2B CMO model, our customer retains ownership of the relevant dossier as well as development, intellectual property and marketing rights of a product, while we retain the manufacturing right during the term of the agreement.

Under the B2C model, we engage in direct marketing solely in India which leverages our brands in this market to drive our focus on injectables. As a majority of our product pipeline is fully owned by us, it provides us the ability to expand our own direct sales platform in the Indian market. As of March 31, 2020, we had a sales force of over 200 employees and an extensive countrywide distribution network to ensure coverage in approximately 2,000 corporate hospitals, nursing homes and government facilities. In Fiscals 2018, 2019 and 2020, our revenue generated from the B2C model constituted 3.73%, 4.43% and 4.01%, respectively, of our total revenue from operations for the relevant year.

Extensive portfolio of complex products supported by internal R&D and regulatory capabilities.

We are a vertically integrated company with demonstrated ability to advance a product from the R&D stage through commercialisation. Our capabilities include internal research and development expertise, robust manufacturing capabilities (including the ability to synthesise and manufacture critical APIs in-house), a strict quality assurance system, extensive regulatory experience and established marketing and distribution relationships. As of March 31, 2020, we had a total workforce of 3,791 excluding contract labourers across these business divisions, including an in-house R&D team for product development, regulatory affairs for obtaining product registrations, manufacturing, supply chain management, and sales and marketing.

We are present in sterile injectables, oncology and ophthalmics, and focus on complex injectables, NCE-1s, First-to-File products and 505(b)(2) filings. We have established a portfolio of injectable products across various therapeutic areas and delivery systems. Our delivery systems cover liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags and drops. We are expanding our development and manufacturing capabilities in complex injectables such as peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges. As of March 31, 2020, our products were sold in over 60 countries, including the United States, Europe, Canada, Australia, India and the Rest of the world.

Our product development is underpinned by our internal R&D expertise. Our centralised R&D laboratory is located at our manufacturing facility at Dundigal, Hyderabad with supporting personnel based at each of our manufacturing facilities. The centralised R&D laboratory has an in-house team of approximately 250 personnel including PhDs, pharmacy post graduates and chemists with expertise in synthesis of low molecular weight injectables drugs, steroids and oncology drugs and in developing complex injectables such as lyophilized products, high-potent drugs and long-acting suspensions. In addition, our R&D laboratories are engaged in the development of key processes such as formulation development, analytical method development, API process development and stability studies. For further details of the development process for our products, see "– *Our Products – Development Capabilities*" on page 129. Our R&D expertise directly supports our required regulatory filings worldwide.

Our product capabilities are further reinforced by our drug regulatory capabilities to facilitate registration of complex injectables across the lifecycles and markets for these products. Our regulatory team has extensive experience in the regulatory requirements of our key markets to facilitate new product registrations. Our regulatory team is constantly engaged with regulators including the USFDA, and plays an active role in achieving operational efficiencies by undertaking CBE-30 filings for site and line changes as well as filing for change of APIs when cheaper sources are available. As of March 31, 2020, we along with our partners had 265 ANDA filings in the United States, of which 204 were approved and 61 were pending approval. The 265 ANDA filings comprise 189 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmics related products. Out of these 265 ANDA filings, 100 represent ANDAs owned by us, of which 63 ANDA filings are approved and 37 are pending approval. As of the same date, we along with our partners had a total of 1,415 product registrations, comprising 368 product registrations in the United States, Europe, Canada and Australia, 54 in India and 993 in the Rest of the world. Our revenue from new product launches, which amounted to ₹3,492.61 million, ₹2,717.29 million and ₹2,292.27 million in Fiscals 2018, 2019 and 2020, respectively, indicates our ability to consistently receive regulatory approvals and commercialise our pipeline to achieve market penetration.

Track record of growth and profitability from a diversified revenue base with healthy cash flows.

We have a track record of revenue delivery and profitability across various markets with healthy cash flows. The following table sets forth our total revenue from operations, EBITDA and restated profit for the year, as specified below:

(in ₹ million)

	Fiscal 2018	Fiscal 2019	Fiscal 2020
Revenue from operations	16,228.93	20,442.03	26,332.40
EBITDA[(1)]	5,840.75	7,920.67	10,946.35
Restated profit for the year	3,210.51	4,518.56	7,728.58

Note:

(1) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year.

Our total revenue from operations has grown at a CAGR of 27.38% from Fiscals 2018 to 2020. Our EBITDA has grown at a CAGR of 36.90% from Fiscals 2018 to 2020. Our restated profit for the year has grown at a CAGR of 55.15% from Fiscals 2018 to 2020.

Our products are developed and manufactured in India and we believe this confers R&D and manufacturing cost advantages on us compared to competitors in higher cost markets. We strive to be a capital efficient business. In Fiscals 2018, 2019 and 2020, our debt equity ratio was 0.002, 0.002 and 0.001, respectively. We do not have any significant borrowings.

Our revenue base is diversified by business model as well as by key customers (with whom we generally have long term contracts) and markets. Our top five customers in Fiscals 2018, 2019 and 2020 accounted for 49.92%, 47.86% and 48.86%, respectively, of our total revenue from operations for the relevant period. Some of these customers have contracted with us for products sold across multiple markets. In Fiscals 2018, 2019 and 2020, our revenue from operations in the United States, Europe, Canada and Australia accounted for 76.41%, 69.44% and 73.46%, respectively, of our total revenue from operations, as per Ind AS 108 – Operating Segments. In the same periods, our revenue from operations in India accounted for 18.49%, 18.97% and 17.74%, respectively, of our total revenue from operations as per Ind AS 108 – Operating Segments. In the same periods, our revenue from operations in the Rest of the world accounted for 5.10%, 11.59% and 8.80%, respectively, of our total revenue from operations as per Ind AS 108 – Operating Segments.

We have an experienced management and qualified team and are promoted by Shanghai Fosun Pharma

We have a professional and experienced management team with significant expertise in the pharmaceutical industry. We consider this facilitates effective operational coordination and continuity of business strategies. Our management team includes experienced senior executives, many of whom have been with us for a significant period of time. Our mentor, Dr. Ravindranath Penmetsa has been associated with our Company since 1992 and our Chief Technology Officer, KVGK Raju, has been with our Company since 1992. Our MD and CEO, Srinivas Sadu, has been with us in various capacities since 2000 and our CFO, Ravi Shekhar Mitra, has joined us with nearly two decades of relevant experience.

Our employees numbered 3,791 as of March 31, 2020 across our key business verticals, excluding contract employees. Our labourers possess a range of qualifications including scientific, pharmacy post graduate and graduate and we have a well-established record of developing our in-house talent.

One of our Promoters, Shanghai Fosun Pharma, is a global pharmaceutical major with extensive pharmaceutical manufacturing, distribution and R&D expertise internationally, and in China. Our relationship with Shanghai Fosun Pharma provides us with widened market access opportunities arising from its own continuing internationalisation. In particular, we have benefitted from Shanghai Fosun Pharma's established presence in China and Africa, both of which we consider to be key growth markets for injectables.

Our Strategies

Our business strategies include the following:

Expand product portfolio and delivery systems to drive revenue growth

We have maintained a focus on achieving a diverse product mix offering products at various stages of their lifecycle as well as a robust product pipeline. As of March 31, 2020, we along with our partners had 265 ANDA filings in the United States, of which 204 were approved and 61 pending approval. We are present in sterile injectables, oncology and ophthalmics, and focus on complex injectables, NCE-1s, First-to-File products and 505(b)(2) filings. We have established a portfolio of injectable products across various therapeutic areas and delivery systems. Our delivery systems cover liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags and drops. We are expanding our development and manufacturing capabilities in complex injectables such as peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges.

We intend to continue enhancing our product portfolio to offer a diverse suite of products to cater to the growing demand for injectables. According to the IQVIA Report, injectable manufacturers face high entry barriers such as high capital investments, operational costs, manufacturing complexities, stricter compliance requirement (because of the sterile nature of products) and high-quality standards resulting in limited competition in the market. We believe that our core expertise across R&D, manufacturing, quality assurance, regulatory experience and market knowledge has enabled us to offer a diversified portfolio of products and delivery systems that meets our customers' varying requirements and market demand opportunities. We will continue to identify, develop and launch new products and delivery systems from our pipeline to meet market needs and capture growth opportunities to sustain our revenue growth and profitability. In anticipation of suitable market opportunities, we aim to continue investing in our R&D and manufacturing capabilities, particularly for our sterile API manufacturing technology, to develop products with critical APIs manufactured in-house that have viability for commercialisation in order to gain first-mover advantages.

We will continue to focus on developing products primarily for the U.S. market and leverage this product portfolio to extend across other markets. This is enabled by our continued adherence to high quality control and regulatory compliance across our facilities and development processes in order to meet evolving regulatory standards particularly around new products for the U.S. market. To cater to the needs of other key markets, we also have started to develop products aligned with the requirements of those markets. We also intend to increase our product offerings by continuing to invest in new technologies to maintain our competitive strengths in both product development and product manufacturing capabilities for complex injectables.

Continue to invest in manufacturing and related technological capabilities to meet future demand

We aim to continue investing in manufacturing technologies to build new capabilities to support the production of our future portfolio of complex injectables, primarily for the U.S. market. To maintain our competitive position, we intend to expand our current manufacturing capacity for key products and continue to invest in new technologies and manufacturing capabilities in complex injectables such as peptides, long-acting injectables, suspensions and hormonal products as well as new delivery systems such as pens and cartridges. We have increased our manufacturing capacities from 670 million units per annum in Fiscal 2018 to 755 million as of March 31, 2020. Accordingly, we are expanding our manufacturing footprint in order to increase our product development and manufacturing capabilities.

In order to support our manufacturing needs for our product pipeline, in addition to our flagship sterile injectables facility in Dundigal, Hyderabad, we built another sterile injectables facility in Pashamylaram, Hyderabad, which has substantially increased our manufacturing capacity. Since obtaining the first USFDA approval at Pashamylaram, Hyderabad, we have expanded the manufacturing capacity of our manufacturing facilities at that location. We are in the process of commissioning additional capacity to support our future portfolio of complex injectables including suspensions, cartridges and hormonal products. Expansion is also in progress at our oncology facility. We further plan to set up a new R&D building at Pashamylaram, Hyderabad. We anticipate that this will enable us to support our future product portfolio and commence product evaluation in parallel. For further details of our manufacturing facilities, see "*– Manufacturing Operations – Facilities*" on page 130. We aim to continue investing in manufacturing technologies to build new capabilities to support the production of our future portfolio of complex injectables. We plan to purchase additional equipment, such as (i) production and packing equipment; (ii) electrical panel and fitting equipment; (iii) Heating, Ventilation and Air Conditioning ("**HVAC**") equipment; (iv) lab equipment; (v)

R&D equipment; (vi) utilities equipment; and (vii) warehouse equipment. For more information, see "*Objects of the Issue*" on page 76.

Our technological capabilities have also ensured ANDA filings and approvals track record which we will seek to maintain. For further details of our technological capabilities, see "*– Our Products – Development Capabilities – Technology Transfer Capabilities*" on page 130. We will continue to invest in innovative technologies to enhance our complex injectables manufacturing capabilities. Key focus areas include peptides, long acting injectables, suspensions and hormones. This will allow us to enrich our product pipeline and improve the competitiveness of our product portfolio. We will seek to ensure continued high quality standards across our products, processes and facilities to maintain our consistent track record of regulatory compliance.

Increase current market presence and enter new markets

We intend to maintain our strategic emphasis on the United States, Europe, Canada and Australia, while continuing to pursue growth opportunities in China, India, Brazil and the Rest of the world. We plan to grow our business in the United States, Europe, Canada and Australia by maintaining an appropriate product mix in our portfolio with products which we consider will improve our profitability as well as utilise our capacities more efficiently. We will also focus our efforts on establishing effective relationships with existing and new marketing partners to commercialise our portfolio of products. In Brazil, we believe that demand for our products will continue to grow in line with changes in healthcare standards, insurance penetration and government spending on healthcare in these markets. We plan to expand our presence in these markets by increasing our portfolio of product registrations and by increasing our customer and distributor base through marketing arrangements with local distributors and pharmaceutical companies. As we are able to leverage our product portfolio for the U.S. market across several other markets, we expect to be able to continue to introduce products to these additional markets at a more efficient cost.

In China we will continue our relationship with Shanghai Fosun Pharma to grow our business in the Chinese generics drug market and develop China-specific products. According to the IQVIA Report, the Chinese pharmaceutical market was estimated to be US$92 billion in 2019, accounting for 11% of the global injectables market at an estimated US$49 billion. The Chinese pharmaceutical market is expected to grow to US$118 billion in 2024, of which generic drugs would account for US$76 billion. To tap this market potential, we have filed six products in Fiscal 2020 and plan to accelerate our rate of filings. We will seek to continue to identify appropriate product opportunities in the Chinese market. In the near term, we have aligned these market needs with our existing portfolio of products to identify and file key products for the Chinese market in accordance with the local requirements from regulatory authorities. We believe this shortens the time to market and enables us to obtain a better understanding of the local market conditions. We are currently developing products specifically for the Chinese market so as to expand our product offerings there. Furthermore, to access the Chinese market effectively, we intend to leverage the existing infrastructure and marketing network of Shanghai Fosun Pharma. For further details, see "*– Our Strategies – Align with Shanghai Fosun Pharma to increase market share*" on page 124.

In India we have been focusing on growing our presence through our own sales and distribution network by using our own brands and personnel, and also by co-marketing with leading pharmaceutical companies with a strong brand and wide sales reach. While we have a strong presence in the cardiac and pain management therapeutic areas, as part of our growth strategy we have recently launched the infertility therapeutic area to further diversify our portfolio. We will continue to evaluate other opportunities for growth in the India market.

For the Rest of the world markets (excluding India), we intend to continue working with business partners and distributors having a well-established local presence. To expand our reach to new markets, we are constantly looking for new business partnerships for growth. We will continue to evaluate new product opportunities leveraging the local market knowledge of our partners and initiate the development of products focused on such local market if we identify viable market opportunities and demand.

Align with Shanghai Fosun Pharma to increase market share

We intend to continue our strategic alignment with Shanghai Fosun Pharma to increase our market share in the global generic injectables industry. We intend to leverage Shanghai Fosun Pharma’s existing infrastructure and global presence to access new markets, including the Chinese and African markets. Our relationship with Shanghai Fosun Pharma has enabled us to initiate product filings in China, with our first filing completed for the Chinese market in 2019. As of March 31, 2020, our product filings for six products in China were under approval.

We expect to benefit from Shanghai Fosun Pharma's (i) market experience and know-how in navigating through the rapidly evolving Chinese healthcare landscape, (ii) ability to access key markets to provide coverage for a portfolio of products, (iii) scale and bargaining power to procure raw materials and equipment from China, and (iv) extensive sales, logistics and distribution network to enable market penetration across China.

Pursue strategic acquisitions and partnerships

To complement our organic growth and internal expertise, we may also pursue strategic acquisitions of companies, products and technologies that we believe will add to our capabilities and technical expertise or enter into partnerships to strengthen our product and technology infrastructure in areas including steroidal hormonal products, suspensions, anti-neoplastics and nasal and inhalation products. We will seek to identify API suppliers that complement our business with niche capabilities including fermentation technology, corticosteroid APIs and hormonal APIs as well as partners with USFDA approved facilities to reduce market entry time. In certain markets where there is a preference for local manufacturers, we may partner with or acquire suitable local manufacturers with manufacturing, R&D and marketing capabilities to complement our product development capabilities.

Continued focus on cost management

We aim to continue to maintain our cost management focus, including in-house integrated manufacturing capabilities, across our business to deliver growth as well as to achieve economies of scale. In addition, we aim to continue to achieve supply chain efficiencies through lifecycle management of products, including in the R&D and manufacture processes. As of March 31, 2020, we had a total workforce of 3,791 excluding contract employees across our business divisions, that complement our business with niche capabilities including an in-house R&D team for product development, regulatory affairs for obtaining product registrations, manufacturing, supply chain management, and sales and marketing, and our understanding of the injectables business has allowed us to better control variables in our operating processes. Our quality assurance and quality control team will continue to support the lifecycle management of our products to improve manufacturing efficiencies, such as by shifting manufacturing lines, and our internal project team will continue to seek to ensure timely execution of projects in a cost efficient manner. The high level of operational efficiency in our systems supports our ability to make regulatory filings promptly and consistently.

We consider that our products for the U.S. market benefit from our ability to integrate backwards to manufacture our own critical APIs, providing us with security and cost advantages in our supply chain. The backward integration for our critical APIs also allows us to gain greater market competitiveness. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders and other measures. We will also continue to ensure timely filings of applications for alternative cost-effective APIs and components sourced externally, change in batch sizes and additional equipment qualifications for better yields.

Our Products

We are focused on meeting diverse injectables needs with a stable supply of affordable and high quality products. We are present in sterile injectables, oncology and ophthalmics, and focus on complex injectables, NCE-1s, First-to-File products and 505(b)(2) filings. We have established a portfolio of injectable products across various therapeutic areas and delivery systems. Our delivery systems cover liquid vials, lyophilized vials, pre-filled syringes, ampoules, bags and drops.

Key Product Portfolio

The key therapeutic areas to which the key products belong as well as the markets in which such products are sold and product applications are filed are set out below:

(i) Anti-diabetic

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Huminsulin	No	No	Yes	Yes

(ii) Anti-infectives

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Azithromycin	Yes	Yes	Yes	Yes
2.	Daptomycin	Yes	Yes	Yes	Yes
3.	Vancomycin HCl	Yes	No	Yes	Yes
4.	Caspofungin	Yes	Yes	Yes	Yes
5.	Micafungin Sodium	Yes	No	Yes	Yes
6.	Voriconazole	Yes	Yes	Yes	Yes

(iii) Anti-malarials

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Quinine Dihydrochloride	No	No	No	Yes

(iv) Anti-neoplastics

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Melphalan HCl	Yes	Yes	Yes	Yes
2.	Oxaliplatin	Yes	Yes	Yes	Yes
3.	Paclitaxel	Yes	No	Yes	Yes
4.	Temsirolimus	Yes	No	Yes	Yes

(v) Blood-related

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Heparin Sodium	Yes	No	Yes	Yes
2.	Doxercalciferol	Yes	No	Yes	Yes
3.	Tranexamic Acid	Yes	Yes	Yes	Yes

(vi) Cardiac

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Bivalirudin	Yes	Yes	No	Yes
2.	Enoxaparin Sodium	Yes	Yes	Yes	Yes
3.	Nadroparin Calcium	No	No	No	Yes
4.	Esmolol Hydrochloride	Yes	No	Yes	Yes
5.	Milrinone Lactate	Yes	No	Yes	Yes
6.	Dexrazoxane	Yes	No	Yes	Yes
7.	Chlorothiazide	Yes	No	Yes	Yes

(vii) Gastro-intestinal

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Ondansetron	Yes	Yes	Yes	Yes
2.	Palonosetron HCl	Yes	Yes	Yes	Yes
3.	Fosaprepitant Dimeglumine	Yes	Yes	Yes	Yes

(viii) Hormones

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Methylprednisolone Sodium Succinate	Yes	No	No	No
2.	Dexamethasone Sodium Phosphate	Yes	No	No	Yes

(ix) Neurological and central nervous system

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Levetiracetam	Yes	Yes	Yes	Yes
2.	Haloperidol	Yes	No	Yes	Yes
3.	Ziprasidone Mesylate	Yes	No	Yes	Yes
4.	Midazolam	Yes	No	Yes	Yes
5.	Levoluecovorin	Yes	No	Yes	Yes
6.	Dexmedetomidine	Yes	Yes	Yes	Yes
7.	Olanzapine	Yes	Yes	No	No

(x) Ophthalmics and otologicals

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Olopatadine Hydrochloride	Yes	No	Yes	Yes
2.	Bimatoprost	Yes	No	Yes	Yes

(xi) Pain, neuro-muscular blocking agents and analgesics

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Etomidate	Yes	Yes	Yes	Yes
2.	Ketorolac Tromethamine	Yes	Yes	Yes	Yes
3.	Zoledronic Acid	Yes	Yes	Yes	Yes
4.	Atracurium Besylate	Yes	No	Yes	Yes
5.	Cisatracurium Besylate	Yes	No	Yes	Yes
6.	Rocuronium Bromide	Yes	Yes	Yes	Yes
7.	Vecuronium Bromide	Yes	No	Yes	Yes

(xii) Respiratory

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Chlorpheniramine	No	No	No	Yes
2.	Acetylcysteine	Yes	No	No	No

(xiii) Vitamins, minerals and nutrients

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Cyanocobalamin	Yes	No	No	Yes

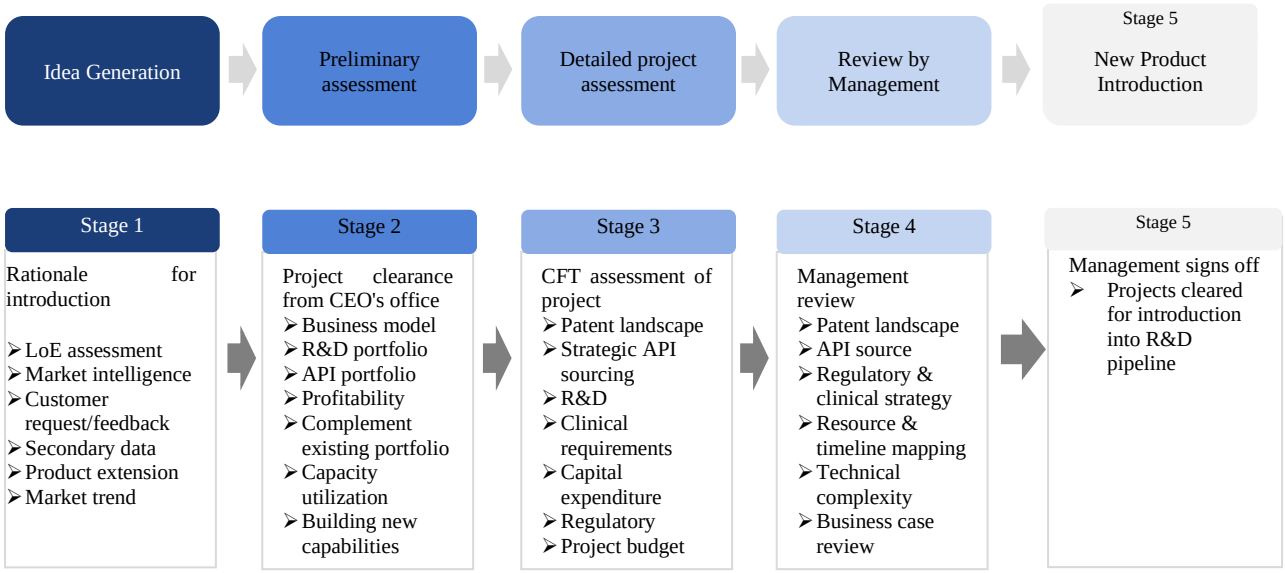
(xiv) Others

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
1.	Mesna	Yes	No	Yes	Yes

No.	Molecules	Markets			
		United States	Europe, Canada and Australia	India	Rest of the world
2.	Levothyroxine Sodium	Yes	Yes	Yes	Yes

Product Selection

Our track record of product filings and approvals is complemented by a stringent product selection process set forth in the following chart:



(i) Idea generation

The introduction of drug selection begins with the rationale for its introduction. Our products are selected on the basis of relevance to prevalent diseases, efficacy and safety, adequate scientific data and evidence of performance, adequate quality and favourable cost-benefit ratio resulting from the assessment of (1) the time for loss of exclusivity (LoE) on the market; (2) market intelligence on the potential drug; (3) customer request and feedback; (4) secondary data collected for research purposes; (5) product extension and the entry of such extension; and (6) market trends in the drug development and selection.

(ii) Preliminary assessment

Upon selection and obtaining clearance from the CEO's office of our drug candidates, we evaluate the business model, R&D portfolio and API portfolio for such candidates. We seek to ensure that there is a favourable cost-benefit ratio and capacity utilisation and that the new drug candidates complement our existing portfolio of products. Where required, we will build new capabilities for the development of new drug candidates.

(iii) Detailed project assessment

In this stage, our assessment team examines the relevant cross functional teams (CFT) feedback to identify potential risks. Upon clearance by our assessment team, we analyse various key requirements and criteria for the project including the patent and regulatory landscape for the drug candidate, strategic API sourcing, R&D and clinical requirements, capital expenditure and the project budget and timelines.

(iv) Review by management

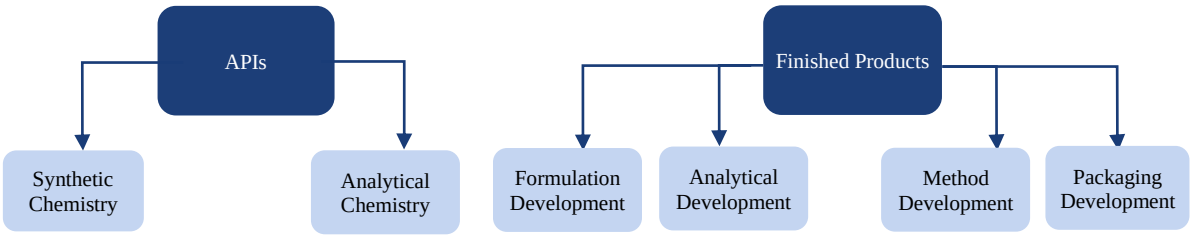
Once the project timeline and metrics have been decided, the business case is sent for review by our management. Our management applies a regulatory and systematic approach to reviewing our portfolio of development projects. They evaluate the technical complexity of the project, including the various metrics, formulate the regulatory and clinical strategy for the drug candidates as well as implement resource and timeline mapping.

(v) New product introduction

Once our management approves the project, the project is introduced into our R&D pipeline to be developed.

Development Capabilities

(i) Development



Our development process for our drug candidates is supported by in-house API development facilities as well as development facilities for finished products.

The development of APIs utilises synthetic and analytical chemistry capabilities. Our chemistry services design synthetic routes and prepare targets on milligram to kilogram scales. We are able to synthesize novel compounds with complex structures and perform chiral chemistry via asymmetric synthesis, optical resolution and chiral separation to achieve specified drug characteristics. Our experienced R&D teams are capable of efficiently validating synthetic routes for APIs. Our laboratories are equipped with all necessary modern instruments including synthesizers, microwave assisted reactors, liquid chromatography-mass spectrometry and nuclear magnetic resonance spectroscopy.

Following the synthesis of compounds, we purify and characterise them through sophisticated and precision instruments, which is an integral part of the delivery process for our API products. To support synthetic and process chemistry, our analytical chemistry platform covers chiral separation, natural product purification, high-throughput purification and analysis, high-throughput physical property determination, isolation and structure elucidation of impurities and method validation. Our development of high-throughput experimentation and analytical tools has made it possible to execute simultaneous experiments, enabling the rapid identification of suitable reaction conditions to accelerate drug development. We also offer compound stability tests and tests necessary for the release of APIs.

The development of finished products includes the formulation, analytical method and packaging development processes. Formulation development is key in determining patentability, lifecycle and the success of a product. This process encompasses dosage form development, such as whether it involves liquid, lyophilized or suspension dosage form, as well as delivery option and delivery device compatibility assessments. For the analytical development of a finished product, our teams utilise a comprehensive analysis method for finished product stability testing, method validation and transfer as well as specification development for the product. In addition, method development evaluates attributes of a product such as precision, linearity, accuracy and specificity during development to ensure that the method utilised is suitable for validation. Further, we are involved in packaging development by creating and producing packing components to ensure maximum safety, stability, and efficacy of packed products.

We have advanced capabilities that enable us to focus on developing technically-challenging products. These capabilities include manufacturing generic injectables, characterising complex molecules, analysing and synthesising peptides and proteins. These technological capabilities have enabled us to produce bioequivalent versions of complex drugs and support the development and manufacture of a broad range of dosage formulations, including solutions, suspensions and lyophilized products, as well as products administered via pre-filled syringes, vials, ampoules, bags and dry powder inhalers.

Our injectable product technologies have enabled us to develop and manufacture generic injectables in liquid, lyophilized and suspension forms, as well as pre-filled syringes. We have multiple injectables facilities that include aseptic filling lines dedicated to the sterile manufacture and fill of injectable products. Additionally, we maintain compliance with cGMP regulations which has enabled us to obtain regulatory approvals and support commercial supply.

Characterisation of complex molecules includes a determination of physiochemical properties, biological activity and purity. Such characterisation is important in the development of a generic product that is the same as a reference drug product, which in turn allows the generic developer to demonstrate "sameness" to the USFDA. Complex molecule drugs typically have large molecules that are composed of a mixture of molecules that differ very slightly from one another. These slight variances make complex molecules difficult to characterise. We have developed analytical tools that have enabled us to characterise complex molecules in our products and product candidates such as the synthesis and characterisation of glycosaminoglycans, including heparin, low molecular weight heparins, chondroitin sulphate, hyaluronic acid and drug conjugates of glycosaminoglycans. We also possess the technology to develop complex steroids such as vecuronium, rocuronium, fulvestrant and vitamin D analogues.

We believe we have the technology that enables us to characterise other complex molecules, including protein based products. The development of peptide and protein drug products utilises characterisation technology as well as sterile API manufacturing technology. The sterile API technology has enabled us to successfully develop heterogeneous peptide, glatiramer acetate, betamethasone acetate, paliperidone palmitate, loteprednol etabonate and aripiprazole. We have also developed non-infringing polymorphic forms of APIs such as tigecycline and pemetrexed and glatiramer acetate and oncology APIs such as cabazitaxel, decitabine, azacitidine and pralatrexate.

(ii) Technology Transfer Capabilities

As of March 31, 2020, our manufacturing science and technology team had ten project leaders and 25 executives experienced in injectables manufacturing and project management focused on our technology transfer capabilities. Technology transfer involves technical gap analysis with respect to manufacturing and analytical methods, analytical method transfer and verifications of API and finished products, project specific validations, execution of trial and submission batches, stability studies, preparation of documents for dossier submission and project management. Our technology transfer team possesses a keen understanding of the technology involved in the site transfer projects with respect to manufacturing and analytical methods as well as sourcing project specific required components to ensure the efficient execution of projects. As a result of our expertise, we have a strong track record of multiple CBE-30 filings and approvals

(iii) Approvals

Our product capabilities are further reinforced by our drug regulatory capabilities to facilitate registration of complex injectables across the lifecycles and markets for these products. Our regulatory team included 48 people as of March 31, 2020. As of March 31, 2020, we along with our partners had 265 ANDA filings in the United States, of which 204 were approved and 61 were pending approval. The 265 ANDA filings comprise 189 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmics related products. Out of these 265 ANDA filings, 100 represent ANDAs owned by us, of which 63 ANDA filings are approved and 37 are pending approval. As of the same date, we along with our partners had a total of 1,415 product registrations, comprising 368 product registrations in the United States, Europe, Canada and Australia, 54 in India and 993 in the Rest of the world. Our R&D expertise directly supports our required regulatory filings worldwide.

Our products are subject to extensive pre- and post-market regulation by the USFDA in the United States and comparable agencies and regulators in foreign countries with regard to the testing, manufacturing, safety, efficacy, labelling, storage, record-keeping and marketing of such products. For further details of the USFDA approval considerations and the ANDA approval process, see "– *Regulations*" on page 135.

Manufacturing Operations

Facilities

We have seven manufacturing facilities including two sterile injectables facilities, one dedicated Penems facility one oncology facility and three API facilities. Our flagship sterile injectables facility in Dundigal, Hyderabad, which possesses capabilities across various delivery formats, obtained USFDA approval in 2003. In addition to our flagship sterile injectables facility in Dundigal, Hyderabad, our other sterile injectables facility in Pashamylaram, Hyderabad, which substantially increased our manufacturing capacity, commenced domestic sales in September 2015 and sales in the United States in September 2016 following receipt of USFDA approval in March 2016. We also have a dedicated Penems facility which filed its first ANDA in February 2014 and obtained USFDA approval in March 2016. In addition, our oncology facility received USFDA and GMP (EU) approval in 2014, and commenced commercial sales in Europe in 2015 and in the United States in 2016. We are currently installing a lyophilizer at our oncology facility to increase its production capacity. We also have a total of three API facilities that allow us to possess in-house manufacturing capabilities for critical APIs, enabling us to control costs and quality and mitigate supply chain related risks around our key products.

We intend to support future growth by expanding our manufacturing infrastructure to have additional capacity for the U.S. market and building manufacturing capability to support new dosage forms such as cartridges, pens and hormonal products. Details of our manufacturing facilities are as follows:

No.	Location	Facility	Presentation	Capacity (Lines)[1]	Exiting Capacity (Units per annum)[1]	Capacity Utilisation (%) in Fiscal			Key products	Key regulatory approvals
						2018	2019	2020		
1	Dundigal, Hyderabad, India	Sterile injectables	Liquid Vials	6	240 million	87	90	91	Enoxaparin Sodium, Caspofungin, Levetiracetam,	USFDA (US), MHRA (UK),
			Lyophilizers (7 Nos)	N/A	48 million	81	74	75		

No.	Location	Facility	Presentation	Capacity (Lines)[1]	Exiting Capacity (Units per annum)[1]	Capacity Utilisation (%) in Fiscal			Key products	Key regulatory approvals
						2018	2019	2020		
			Ampoules	1	60 million	69	35	26	Daptomycin	ANVISA (Brazil), TGA (Australia), BGV Hamburg (Germany)
			Pre-filled Syringes	2	60 million	30	75	50		
			Bags	2	5 million	22	75	51		
			Ophthalmics	1	45 million	-	17	17		
2	Pashamylaram, Hyderabad, India	Sterile injectables	Liquid Vials	3	132 million	47	59	73	Heparin Sodium, Vancomycin	USFDA (US), GUB Munich (Germany)
			Lyophilizers (3 Nos)	N/A	18 million	34	73	76		
			Ampoules	2	120 million	22	21	29		
3	Pashamylaram, Hyderabad, India	Penems	Vials (2 Lyophilizers)	1	8 million	-	-	-	-	USFDA (US)
			Dry Powder	1	4 million	-	-	-		
4	Visakhapatnam, India	Oncology	Liquid Vials	3	11 million	36	28	48	Paclitaxel, Bortezomib	USFDA (US), AGES (Austria), TGA (Australia)
			Lyophilizers (4 +1)[3]	N/A	5 million	16	28	24		
5	Dundigal, Hyderabad, India[2]	API	-	-	N/A[4]	-	-	-	-	USFDA (US), MHRA (UK), ANVISA (Brazil), TGA (Australia), BGV Hamburg (Germany)
6	Visakhapatnam, India[2]	API	-	-	3,000 kg/year	-	-	-	-	USFDA (US), ANVISA (Brazil)
7	Visakhapatnam, India[2]	API	-	-	8,000 kg/year	-	-	-	-	USFDA (US), DMA (Denmark)

Note:
(1) As of March 31, 2020.
(2) Capacity utilisation is not applicable for API facilities.
(3) One lyophilizer at Visakhapatnam is under installation.
(4) The API plant at Dundigal is an R&D pilot plant for development and lab scale manufacturing of APIs.

Vertically Integrated Supply Chain

Our ability to manufacture our own API enhances our vertical integration strategy, particularly for APIs which are difficult to source, and allows us to develop products that other companies may not focus on due to their uncertainty of API supply. Our three API manufacturing facilities are USFDA approved; one is an R&D pilot plant and the other two have an annual capacity of 3,000 kg and 8,000 kg, respectively. We have several ANDAs which are vertically integrated, coupled with a substantial portion of our pipeline supported by our in-house APIs. The key APIs that we manufacture include Atracurium Besylate, Cis-Atracurium Besylate, Dexrazoxane, Enoxaparin Sodium, Heparin Sodium and Rocuronium Bromide.

As our business depends on efficient supply chain management, we aim to curtail our supply chain costs to the minimum through optimal inventory levels, economic order quantities and other measures. For instance, our quality assurance and quality control team supports the lifecycle management of our products to improve manufacturing efficiencies. We also ensure timely filings of CBE and PAS applications for alternative cost-effective APIs and components sourced, change in batch sizes and additional equipment qualifications for better yields. We believe that controlling inventory levels is important to our overall profitability. In general, we manage our inventory through our ERP software.

Raw Material and Other Suppliers

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers, including domestic and international suppliers. The raw materials that we purchase include APIs that are not produced in-house by us, intermediates, primary packaging materials, such as glass ampoules, vials, glass bottles, PVC and non-PVC bags or films, rubber stoppers, and secondary packaging materials. We source the raw materials and packaging materials for our products from vendors who provide materials of suitable quality in accordance with applicable requirements in the relevant markets.

In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. In most cases, our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials. For further details on our risk with respect to the raw materials procured by us, please see the section titled "*Risk Factors*" on page 21.

We also purchase plant and machinery for our manufacturing facilities, such as lyophilizers, saturated steam sterilizer chambers, vial line change parts, pneumatic block valves and data loggers, from international suppliers.

We assess the reliability of all materials and machinery purchased to ensure that they comply with the rigorous quality and safety standards required for our products. We maintain an approved suppliers list and a process through which our suppliers qualify for inclusion on this list. We evaluate our suppliers and potential suppliers based on a number of factors, such as (i) their formal accreditation, certifications and regulatory approvals, (ii) lead-time needed in satisfying our orders, (iii) price of their supplies, (iv) quality of their supplies and (v) results of our on-site inspections.

Quality Assurance and Quality Control

We as well as our API and primary components suppliers are required by drug regulatory authorities to primarily comply with "Good Manufacturing Practices" as prescribed under Schedule M of the Drugs and Cosmetics Rules, 1945 (the "**DCA Rules**"). The DCA Rules require us to, among other things, document our methodology, systems and procedures associated with manufacturing for inspection and provide that our manufacturing premises are to be used exclusively for production of drugs. We and our suppliers are subject to periodic inspections of facilities by such drug regulatory authorities to assess our compliance with applicable regulations.

We have a close focus on quality standards, and are supported by a quality assurance and quality control team of 1,181 full-time employees as of March 31, 2020, representing approximately 31.15% of our total employees. We have a network of quality systems throughout our business units and facilities which relate to the development, manufacturing, packaging, serialisation, distribution and labelling of our products. To assess and facilitate compliance with applicable requirements, we regularly review our quality systems to determine their effectiveness and identify areas for improvement. We also perform assessments on our suppliers of raw materials, components and finished goods. In addition, we conduct quality management reviews designed to inform management of key issues that may affect the quality of products and services.

We have a consistent regulatory compliance track record and all our facilities are approved by the USFDA. Our flagship sterile injectables facility in Dundigal, Hyderabad, which possesses capabilities across various delivery formats, obtained USFDA approval in 2003. Other key regulatory agencies for which certain of our facilities have approvals include MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV Hamburg (Germany). For further details, see "– *Manufacturing Operations – Facilities*" on page 130. We have had no warning letters from the USFDA (whether as a result of facility inspections or otherwise) since the inception of each facility, including with respect to our product development and manufacturing processes. We have also received GMP certifications for our facilities and had three ISO certifications as of March 31, 2020 for our quality management, environment management and occupational health and safety management systems applicable to design, development and production of pharmaceuticals and contract manufacture of small volume parenterals.

Business Models and Customers

In markets such as the United States, Europe, Canada and Australia as well as the Rest of the world such as Brazil, Africa, Asia Pacific, Middle East, North Africa, Commonwealth of Independent States and South Africa, our primary business model is B2B, covering IP-led, technology transfer and contract manufacturing models. In such markets, we partner with leading pharmaceutical companies with strong and independent sales and distribution networks for the marketing of our products. As of March 31, 2020, we along with our partners had a total of 1,415 product registrations, comprising 368 product registrations in the United States, Europe, Canada and Australia, 54 in India and 993 in the Rest of the world.

Our primary business model in the India market is B2C, where our products are primarily marketed and sold to institutions such as hospitals, long-term care facilities and clinics through stockists and distributors. We also have B2B presence in India where we supply products to pharmaceutical companies.

A summary of the typical features of these business models for regulated markets is set out as follows:

		Rights/Ownership				
		ANDA/Product registration ownership	**Development by us**	**IP ownership**	**Marketing rights**	**Royalty / Profit sharing**
B2B IP-Led	**Own filing**	Yes	Yes	Yes	Yes	Yes
	Partner filing	No	Yes	Co-owned	No	Yes
B2B Technology Transfer		No	Yes[(1)]	No	No	Yes
B2B CMO		No	No	No	No	No
B2C		Yes	Yes	Yes	Yes	Not applicable

Note:

(1) Exhibit batches and stability studies are performed by us.

B2B IP-Led

We adopt the B2B IP-led model primarily for marketing our portfolio of products. Under the B2B IP-led model, our R&D team develops the product which we license out to our marketing partners for commercialisation. In cases where we are responsible for making the dossier filing, we have ownership of the relevant dossier as well as development, intellectual property and marketing rights of the product. In this case, we have the right to license the product to our marketing partners on an exclusive or non-exclusive basis. In cases where our partner is responsible for making the dossier filing, we co-own with them the development and intellectual property rights whereas our partner retains ownership of the relevant dossier and marketing rights. In the filing of dossier, we along with our partner are able to prepare and apply for regulatory approval of a product before the date of expiry of the relevant patents although the product may only be launched in the market after such date. This shortens the time to market and allows us to speed up the commercialisation of our products.

This model allows us to bring our product development and manufacturing expertise together with our partner's market reach to create multiple product opportunities globally. We enter into long-term development, licensing, manufacturing and supply agreements with our marketing partners, which are generally for a term of five to 10 years and typically include terms on minimum purchase obligations, profit sharing, agreed price, payment, etc. depending on the specific arrangements with the relevant marketing partner. We typically receive licensing fee together with milestone payments tied to completion of specific stages in the product development. Upon commercialisation of the product, we receive the selling price per unit dose of the product and may additionally receive a profit share or royalties based on the net profit or net sales of the product, depending on the relevant terms of the agreements. The licensing fees that we receive under this model are used to fund our investment in R&D and manufacturing activities. Further, such profit sharing arrangements provide us with stable long-term cash flows and profitability.

This model is adopted for the sale of our products across key markets including the United States, Europe, Canada, Australia, India, Asia, Middle East and Africa. Our key partners for B2B IP-led own filings include Athenex Pharmaceutical Division, LLC and our key partners for B2B IP-led partner filings include Sagent Pharmaceuticals, Inc. and Apotex Inc.

B2B Technology Transfer

Under the B2B technology transfer model, the product is partially developed by our partner and the technology required for the manufacture, testing and packaging of such product is subsequently transferred to us. We engage in certain product studies such as method transfer and validation, execution of scale-up and exhibit batches, stability studies as well as supporting our customer with dossier compilation. Under this model, we receive a selling price per unit dose of the product. Under agreements with certain partners, we are entitled to a technology transfer fee and may also receive royalties representing a percentage of the net sales revenue or profit after the commercialisation of the product. Where the B2B technology transfer model is adopted, our partner retains ownership of the relevant dossier as well as intellectual property and marketing rights of the product, while we retain the manufacturing right during the term of the technology transfer agreement, which is generally for a term of five to 10 years.

This model is adopted for the sale of our products across key markets, namely the United States, Europe, Canada, Australia and India.

B2B CMO

Under the B2B CMO model, we provide fill and finish services for aseptically or terminally sterilised injectables to other pharmaceutical companies for already approved products. We enter into loan and license agreements with these pharmaceutical companies and receive fixed manufacturing and packaging payments per unit manufactured. Under the B2B CMO model, our customer retains ownership of the relevant dossier as well as development, intellectual property and marketing rights of a product, while we retain the manufacturing right during the term of the agreement. These agreements generally include terms on product quality or service details, technical standards or methods, delivery, agreed price and payment, and product inspection

and acceptance criteria. The pharmaceutical companies we provide services to generally procure raw materials themselves. This model allows us to utilise our capacity efficiently.

This model is adopted primarily for the sale of our products in India.

In Fiscals 2018, 2019 and 2020, our revenue generated from the B2B model constituted 96.27%, 95.57% and 95.99%, respectively, of our total revenue from operations for the relevant year.

B2C

Under the B2C model, we engage in direct marketing of our brands in India to drive our focus on injectables. As a majority of our product pipeline is fully owned by us, it provides us the ability to expand our own direct sales platform in the Indian market. With a sales force of over 200 employees as of March 31, 2020 and an extensive countrywide distribution network, we have effective coverage in approximately 2,000 corporate hospitals, nursing homes and government facilities. Some of the market leading brands that we market under the B2C model include Hep 5, Hep 25, Cutenox and Synject.

Under the B2C model, we retain ownership of the relevant dossier as well as development, intellectual property and marketing rights of a product. In Fiscals 2018, 2019 and 2020, our revenue generated from the B2C model constituted 3.73%, 4.43% and 4.01%, respectively, of our total revenue from operations for the relevant year.

Sales, Marketing and Distribution Network

Sales and distribution constitute key components of the value chain in our industry. We have focused on building a sales and distribution network that plays an important role in ensuring timely and adequate availability and supply of our products to customers.

As of March 31, 2020, we had a sales force of over 200 employees and an extensive countrywide distribution network to ensure coverage in approximately 2,000 corporate hospitals, nursing homes and government facilities. Sales and distribution methods include frequent contact by sales representatives, automated communications, circulation of catalogues and merchandising bulletins and trade publication presence. In addition, we participate in medical conferences in different parts of India. In our supply chain network in India, the first supply chain partner is a clearing and forwarding agent, a consignee agent or a logistic service provider. The second supply chain partner could be a stockist and/or a retailer.

Competition

The markets in which we sell our generic injectable products are highly competitive. According to the IQVIA Report, injectable manufacturers face high entry barriers such as high capital investments, operational costs, manufacturing complexities, stricter compliance requirement (because of the sterile nature of products) and high-quality standards resulting in limited competition in the market. Many pharmaceutical companies generally outsource the manufacturing of injectables due to significant costs involved in setting up injectables facilities, the length of time required for the development and manufacturing of injectables as well as stringent requirements relating to the quality and safety of injectable products, among other things. Accordingly, we face and will face significant competition from pharmaceutical companies that adopt the B2B model and focus on the generic injectables markets such as Recipharm AB, Catalent, Inc., Lonza Group AG and Piramal Pharma Solutions (Source: IQVIA Report). In the B2C market, we also compete in India with other injectables manufacturers and distributors.

The primary competitive factors consist of compliance record, price, and size of product portfolio. To stay ahead of our competitors, we regularly update existing technology and develop new technology for our manufacturing activities. We also continuously seek new product registrations, marketing authorisations and other approvals from Indian and foreign governmental authorities and health regulatory bodies to increase our product offerings. In addition, we foray into key international markets through our B2B model in order to grow our business and maintain a high level of involvement across our network. We aim to keep our costs of production low to maintain our competitive advantage and our profit margins.

Quality Standards

We place significant emphasis on providing quality products and services to our customers. In addition to quality assurance and quality control at our manufacturing facilities, we have established a three-pronged quality standard plan encompassing quality improvement, corporate quality establishment and quality audits. In relation to quality improvement, we have implemented automation systems, including the Business Management System and other process control systems, and introduced the Laboratory Information Management System software for quality control at all our manufacturing locations. We continually enhance our quality standards by having close collaboration with the site specific quality teams through sharing of information across the sites and from external sources. Across the organisation, we monitor key quality performance indicators, such as market complaints, out-of-specification results, deviations and batch rejections. We also develop continuous management oversight program through introduction of the Management Information System.

In relation to corporate quality establishment, we have in place a corporate reporting structure developed with specific roles and responsibilities which include identifying and developing our standard operating procedures, harmonising procedures across the organisation and facilities, implementing action plans committed to the regulatory findings during inspections and strengthening procedures and documentation.

In relation to quality audits, we conduct internal audits across all of our manufacturing facilities on a quarterly basis. Each customer audit occurs at least once in two years with a frequency of 30 audits per year and regulatory agency audits occur every year with a frequency of eight audits per year. These audits provide a thorough scrutiny of our compliance with quality systems and procedures. We also receive supervision and guidance by external consultants across our facilities.

Awards and Recognition

We have been recognised with several awards for our export performance. In 2019, we received the Best Exporter Award from the Hyderabad Customs for achieving high export quantities and the Telangana Best Employer Brand Award from Employer Branding Institute for effectively attracting, retaining and developing talent. We have also received the Outstanding Export Performance Award under the Formulations Silver Star category by Pharmaceuticals Export Promotion Council of India in 2018. For further details, see "*History and Certain Corporate Matters – Awards, accreditations and recognitions received by our Company*" on page 145.

Acquisitions

To complement our organic growth and internal expertise, we may also pursue strategic acquisitions of companies, products and technologies that we believe will add to our capabilities and technical expertise or enter into partnerships to strengthen our product and technology infrastructure in areas including steroidal hormonal products, suspensions, anti-neoplastics and nasal and inhalation products. We will seek to identify API suppliers that complement our business with niche capabilities including fermentation technology, corticosteroid APIs and hormonal APIs as well as partners with USFDA approved facilities to reduce market entry time. In certain markets where there is a preference for local manufacturers, we may partner with or acquire suitable local manufacturers with manufacturing, R&D and marketing capabilities to complement our product development capabilities.

Regulations

In the United States, generic pharmaceutical products are subject to extensive regulation by the USFDA, including under the Federal Food, Drug, and Cosmetic Act ("**FFDCA**") and regulations implementing such statutes, with regard to the testing, manufacturing, safety, efficacy, labelling, storage, record-keeping, advertising and promotion of such products. For many drugs (drugs falling within the definition of "new drug" in the FFDCA), including the drugs in our current drug portfolio, USFDA approval is required before marketing in the United States. Applications for USFDA drug approval must generally contain, among other things, information relating to pharmaceutical formulation, stability, manufacturing, processing, packaging, labelling, quality control and either safety and effectiveness or bioequivalence. An ANDA approval process is required under the FFDCA for generic drugs.

Our pipeline generic drug product candidates cannot be lawfully marketed unless we obtain USFDA approval. Approval to market and distribute these drugs is obtained by filing an ANDA with the USFDA. An ANDA is a comprehensive submission that contains, among other things, data and information pertaining to the API, drug product formulation, specifications, stability, analytical methods, manufacturing process validation data, quality control procedures and bioequivalence. Rather than demonstrating safety and effectiveness, an ANDA applicant must demonstrate that its product is bioequivalent to an approved reference drug. In certain situations, an applicant may submit an ANDA for a product with a strength or dosage form that differs from a reference drug based upon USFDA approval of an ANDA Suitability Petition. The USFDA will approve an ANDA Suitability Petition if it finds that the product does not raise questions of safety and efficacy requiring new clinical data. Any applicant who files an ANDA must also certify to the USFDA with regard to each relevant patent that (1) no patent information has been submitted to the USFDA; (2) the patent has expired; (3) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or (4) the patent is invalid or will not be infringed upon by the manufacture, use or sale of the drug product for which the ANDA is submitted.

Outside the United States, our ability to market a product is contingent upon receiving marketing authorisation from the appropriate regulatory authorities, including MHRA (UK), TGA (Australia), ANVISA (Brazil), AGES (Austria) and BGV Hamburg (Germany). The requirements governing marketing authorisation, pricing and reimbursement vary widely from country to country. The regulatory authority generally will grant marketing authorisation if it is satisfied that we have presented it with adequate evidence of safety, quality and efficacy.

In India, the import, manufacture, distribution and sale of drugs are similarly subject to extensive regulations as well as regulatory policies. For further details of the regulations that our business is subject to, see the section titled "*Key Regulations and Policies*" beginning on page 139.

Employees

As of March 31, 2020, we had 3,791 full-time employees, excluding contract labourers. Our personnel policies are aimed at recruiting talented individuals and promoting the development of their skills, including through in-house as well as external training programmes. As of the same date, we had over 3,200 contract labourers.

The following table sets forth our employee split by function as of March 31, 2020:

Department	Number of employees	Percentage of employees (%)
Production	810	21.37
Quality control	660	17.41
Quality assurance	521	13.74
Engineering projects and engineering	477	12.58
R&D	241	6.36
Domestic Marketing	229	6.04
API	227	5.99
Packing	214	5.64
Supply chain	146	3.85
Regulatory	48	1.27
Finance & legal	42	1.11
Manufacturing science and technology	35	0.92
Others	141	3.72
Total	**3,791**	**100.00**

As of March 31, 2020, 45 of our employees were members of labour unions. There have been no work disruptions, strikes, lock-outs or other employee unrest.

Research and Development

Our investment in R&D is important to our future growth. Accordingly, we are increasingly engaged in R&D programs to develop innovative product delivery systems and manufacturing methods.

Our centralised R&D laboratory is located at our manufacturing facility at Dundigal, Hyderabad with supporting personnel based at each of our manufacturing facilities. The centralised R&D laboratory has an in-house team of nearly 250 scientists. We possess internal R&D expertise in developing complex injectables such as lyophilized products, high-potent drugs and long-acting suspensions. In addition, our R&D laboratory is engaged in the development of key processes such as formulation development, analytical method development, API process development and stability studies. For further details of the development process of our products, see "– *Our Products – Development Capabilities*" on page 129.

Our R&D expertise further includes synthesis of complex drug molecules such as Low Molecular Weight Herapins, Steroids and Cytotoxics. Our R&D team also developed complex generic molecules such as Cytotoxic and lyophilized ready to use formulations. These R&D activities are scientifically driven and backed by thorough literature review, using sophisticated analytical techniques that include LC-MS, GC-MS and ICP-MS, enabling identification and characterisation of organic and inorganic impurities through synthesis or isolation. In addition to our process development expertise, we also possess knowledge in defining the thresholds for the impurities and arriving at shelf-life definition. Our design and validation of analytical methods are in compliance with global regulatory requirements.

Our R&D efforts have also enabled us to possess technology required to characterise complex molecules in our products and product candidates such as the synthesis and characterisation of glycosaminoglycans, including heparin, low molecular weight heparins, chondroitin sulphate, hyaluronic acid, and drug conjugates of glycosaminoglycans. We also possess the technology to develop complex steroids such as vecuronium, rocuronium, fulvestrant and vitamin D analogues. For further details of our technological capabilities, see "– *Our Products – Development Capabilities – Technology Transfer Capabilities*" on page 130.

We also have experience in 505(b)(2) filings for new drug applications and paragraph IV filings for ANDAs required by the USFDA. In Fiscals 2018, 2019 and 2020, total research and development expenditure was ₹614.85 million, ₹965.81 million and ₹921.87 million, respectively.

Intellectual Property

Trademarks and other proprietary rights are essential to our business. We also rely on patents, trade secrets, know-how and confidentiality agreements to develop, maintain and strengthen our competitive position. We have confidentiality procedures and contractual provisions with our employees, consultants and other business partners. Trade secret protection of unpatented confidential and proprietary information is also important to us.

Trademarks

As of March 31, 2020, we had a total of 66 trademark registrations in India. We have made renewal applications for two of such registered trademarks.

Patents

Although majority of our products and product candidates are generic products which may not be eligible for patent protection, we own several patents covering processes and equipment used in the manufacture of our products. As of March 31, 2020, we had 12 patent applications that have been granted and nine pending applications in India.

Information Technology

Other than the automation systems implemented at our manufacturing facilities, including the Business Management System, Laboratory Information Management System and Management Information System, we have employed the use of ERP in managing our production, finance and inventory. We make efforts to consistently upgrade our systems to ensure efficiency and business continuity.

Insurance

We maintain insurance policies for our manufacturing facilities in India, including buildings, machinery and inventories, consequential damages such as loss of profit, coverage for risks during the shipment of products, public liability coverage, product liability coverage such as in cases of product recalls or health issues arising from the use of our products, workmen compensation, group health policy and an illness group insurance policy specifically covering COVID-19 for employees. In addition, we also maintain insurance policies covering directors' and officers' liability. We are not insured against personal accidents, environmental damages, terrorist acts and war related events.

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the scope of the coverage provided by such insurance. However, our policies are subject to standard limitations, including with respect to the maximum amount that can be claimed. For example, in the case of business interruption, limitations apply with respect to the length of the interruption covered and the maximum amount that can be claimed. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies.

Property

Our Registered and Corporate Office, located at Sy. No. 143 to 148, 150 and 151, Near Gandi Maisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal - Gandi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India, is situated on land owned by us. Our manufacturing facilities located at Dundigal and Pashamylaram, Hyderabad, Jawaharlal Nehru Pharma City, Visakhapatnam are situated on land owned by us. We also own various land parcels adjoining our Dundigal and Pashamylaram manufacturing facilities, and sheds in Gowdavelly. Our oncology facility and API manufacturing facilities located at Visakhapatnam SEZ are situated on leasehold land. The tenure for such lease is for a period of 15 years from May 4, 2010 (which is renewable for a further period of 15 years subject to the covenants, provisions and stipulations imposed by the lessor).

We have also leased a marketing office in Hyderabad, guest houses in Mumbai, New Delhi, Dundigal, Visakhapatnam and Ameerpet and depots in Mumbai and New Delhi on a leasehold basis. The tenure for such leases range from one to five years subject to renewal.

Environmental

We closely adhere to laws and regulations relating to protection of the environment. We carry out our activities while following appropriate standards of work safety and our working conditions seek to promote a healthy and safe work environment.

We have taken initiatives to reduce the risk of accidents and prevent environmental pollution at our facilities including ensuring that plant level risk assessments are periodically carried out; providing training and awareness programs on employee safety and environment to all employees; implementing regular employee safety audits, management review meetings and periodic employee safety meetings; and conducting periodic emergency mock drills in our manufacturing facilities.

In addition, we also have implemented initiatives to reduce the environmental impact of our operations. Such initiatives include organising periodic workshops to enhance the capabilities of plant managers and their teams with respect to environment compliance management; and setting up and periodically upgrading effluent and sewage treatment plants at our manufacturing facilitates to treat and recycle treated waste water.

We have obtained, or are in the process of renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business. Our activities are subject to the environmental laws

and regulations of India, which govern, among other things, air emissions, waste water discharge, and handling, storage and disposal of hazardous substances and wastes.

Corporate Social Responsibility

We seek to be a socially responsible corporation and we believe that corporate social responsibility is an integral part of our operations. Our corporate social responsibility initiatives are focused on demonstrating care for the community through three broad areas, namely (i) education, (ii) health and wellness and (iii) environmental sustainability. As an example, in partnership with the Akshaya Patra Foundation, our flagship corporate social responsibility programme sponsors free and healthy breakfast to over 7,000 government school students in the localities where our manufacturing facilities are located. The Gland-Fosun Foundation has also provided teaching staff and funds for construction of infrastructure in government schools to improve the quality of education. We have responded to the COVID-19 pandemic by distributing masks and sanitiser in the local community as well as arranging food supplies.

We incurred ₹6.82 million, ₹1.57 million and ₹62.14 million in Fiscals 2018, 2019 and 2020, respectively, on corporate social responsibility expenditures.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations and their descriptions set out below may not be exhaustive and are only intended to provide general information to the bidders and are neither designed nor intended to substitute for professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Our Company is engaged in the business of manufacturing and dealing in pharmaceutical products. Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations in India, including for its operations in special economic zones. For information regarding regulatory approvals required by our Company, see *"Government and Other Approvals"* on page 267.

The following is an overview of some of the important laws and regulations, which are relevant to our business of manufacturing and dealing in pharmaceutical products.

INDIAN LAWS APPLICABLE TO OUR COMPANY

The Special Economic Zones Act, 2005 ("SEZ Act") and Special Economic Zones Rules, 2006 ("SEZ Rules")

Special Economic Zones ("**SEZ**s") are established, regulated and governed by the SEZ Act. The SEZ Act was enacted for the establishment, development and management of SEZs for promotion of exports. An SEZ is a specifically delineated duty-free enclave, deemed to be a territory outside the customs territory of India for the purposes of trade as well as duties and tariffs. A board of approval ("**SEZ Board**") has been set up under the SEZ Act, which is responsible for promoting SEZs and ensuring their orderly development. The SEZ Board has a number of powers including the authority to approve proposals for the establishment of SEZs, the operations to be carried out in the SEZ by the developer, foreign collaborations and foreign direct investments.

The SEZ Rules have been enacted to effectively implement the provisions of the SEZ Act. The SEZ Rules provide a simplified procedure for a single window clearance from central and state governments for setting up SEZs and 'units' in SEZs. The SEZ Rules also prescribe the procedure for the operation and maintenance of an SEZ, the setting up of a SEZ and conducting business within SEZs, with an emphasis on 'self-certification'. The SEZ Rules also provide for the terms and conditions subject to which entrepreneurs and developers shall be entitled to exemptions, drawbacks, concessions and certain other benefits, etc. The SEZ Rules stipulate the minimum area requirement for various categories of SEZs.

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 the Export and Import Policy of India. 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. 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, trading, repair, remaking, reconditioning and re-engineering. EOUs are allowed to import or locally procure, duty free, all types of goods including capital goods, raw materials and consumables required for export production. EOU premises are approved as private warehouses under Section 58 of the Customs Act.

Drugs (Control) Act, 1950 ("Drugs Act")

The Drugs Act provides for control of sale, supply and distribution of drugs. Under the Drugs Act, any drug may be declared by the Central Government to be a drug within its purview. The authorities may also prohibit the disposal or direct the sale of any specified drug.

Drugs and Cosmetics Act, 1940 ("DCA") and the Drugs and Cosmetics Rules, 1945 ("DCA Rules")

The DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the import, manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specify the requirement of a license for the manufacture or sale of any drug or cosmetic including for the purpose of examination, testing or analysis. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities.

Drugs (Prices Control) Order, 2013 ("DPCO")

The DPCO prescribes *inter alia* the ceiling price of scheduled formulations, retail price of a new drug for existing manufacturers of scheduled formulations, maximum retail price of scheduled formulations. Under the DPCO, the Central Government may

issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturers of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Central Government and penalties for contravention of its provisions.

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("NDPS Act")

The NDPS Act is a legal framework which seeks to control and regulate operations relating to narcotic drugs and psychotropic substances. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transhipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates controlled substances which can be used in the manufacturing of narcotic drugs and psychotropic substances. Offences under the NDPS Act are essentially related to violations of the various prohibitions imposed under the NDPS Act, punishable by both imprisonment and monetary fines.

The Boilers Act, 1923 ("Boilers Act")

Under the provisions of the Boilers Act, an owner of a boiler is required to get the boiler registered and certified for its use. The Boilers Act also provide for penalties for illegal use of boilers.

The Legal Metrology Act, 2009 ("Legal Metrology Act")

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The key features of the Legal Metrology Act are (a) appointment of Government approved test centres for verification of weights and measures; (b) allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act. Any non-compliance or violation of the provisions of the Legal Metrology Act may result in, among others, a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each state and in the Centre. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are required to be periodically renewed.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board ("**State PCB**"). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases must apply in a prescribed form and obtain consent from the State PCB prior to establishing or operating any industrial plant in an air pollution control area. The State PCB is required to grant, or refuse, consent within four months of receipt of the application. The consent may contain conditions relating to specifications of pollution control equipment to be installed.

Environment Protection Act, 1986 ("EP Act") and the Environment Protection Rules, 1986 ("EP Rules")

The EP Act has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per the EP Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the EP Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process. The EP Rules prescribes the standards for emission or discharge of environmental pollutants from industries, operations or processes, for the purpose of protecting and improving the quality of the environment and preventing and abating environmental pollution.

Bio-Medical Waste Management Rules, 2016 ("BMW Rules")

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to take all necessary steps to ensure that such waste is handled without any adverse effect to human health and environment and *inter alia* to make provisions for a safe premises, ventilated and secured location for storage of segregated bio-medical waste, pre-treat laboratory waste and provide training to workers involved in handling bio-medial waste. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, receipt, storage, transportation, treatment, disposal, or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules define the term 'hazardous waste' to include any waste which by reason of physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive characteristics cause danger or is likely to cause danger to health or environment, whether alone or in contact with other wastes or substances including waste specified in the schedules to the Hazardous Waste Rules. In terms of the Hazardous Waste Rules, occupiers, being persons who have control over the affairs of a factory or premises or any person in possession of hazardous or other waste, have been, *inter alia*, made responsible for safe and environmentally sound management of hazardous and other wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for handling, generation, collection, storage, packaging, transportation, usage, treatment, processing, recycling, recovery, pre-processing, co-processing, utilising, selling, transferring or disposing hazardous or other waste.

The Manufacturing, Storage and Import of Hazardous Chemicals Rules, 1989 ("MSIHC Rules")

The MSIHC Rules stipulate that an occupier in control of an industrial activity has to provide evidence to show that he has identified the major accident hazards and taken adequate steps to prevent such major accidents and to limit their consequences to persons and the environment. Further, the occupier has an obligation to show that he has provided necessary information, training and equipment, including antidotes, to the persons working on the site to ensure their safety. Also, the occupier is under an obligation to notify the concerned authority of the occurrence of a major accident upon the site or in a pipeline within 48 hours of such accident.

Noise Pollution (Regulation and Control) Rules, 2000 ("Noise Pollution Rules")

The Noise Pollution Rules regulate and control the noise producing and generating sources including from industrial activity, and sets ambient air quality standards in respect of noise for different areas/zones. The Noise Pollution Rules provide for penalties in accordance with the EP Act for use of loud speakers, public address system, among others, in a silence zone or area.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of 'hazardous substances' covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring against liability under the Public Liability Act. The rules made under the Public Liability Act mandate that the owner has to contribute towards the Environment Relief Fund, a sum equal to the premium payable to the insurer under the insurance policies.

The Explosives Act, 1884 ("Explosives Act") and the Explosives Rules, 2008 ("Explosives Rules")

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act. In furtherance to the purpose of this Act, the Central Government has notified the Explosive Rules in order to regulate the manufacture, import, export, transport and possession for sale or use of explosives.

Laws related to Intellectual Property

Trade Marks Act, 1999 ("Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement of such marks. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks and using them to cause confusion among the public.

The Patents Act, 1970 ("Patents Act")

The Patents Act governs the patent regime in India. India is a signatory to the Trade Related Agreement on Intellectual Property Rights ("**TRIPS**"); India recognizes both product as well as process patents. The Patents Act provides for the following, among other things:

- Patent protection period of 20 years from the date of filing the patent application;
- Recognition of product patents in respect of food, medicine and drugs;
- Import of patented products will not be considered as an infringement; and
- Under certain circumstances, the burden of proof in case of infringement of process patents may be transferred to the alleged infringer. An application for a patent can be filed in any of the four patent offices in India.

Laws relating to taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

- Central Goods and Service Tax Act, 2017 and various state-wise legislations made thereunder;
- Andhra Pradesh Goods and Services Tax Act, 2017 and the rules made thereunder;
- Telangana Goods and Services Tax Act, 2017 and the rules made thereunder;
- Integrated Goods and Services Tax Act, 2017;
- Central Sales Tax Act, 1956 and various state-wise legislations made thereunder;
- Income Tax Act 1961, as amended by the Finance Act in respective years;
- Customs Act, 1961;
- Telangana Value Added Tax Act, 2005;
- Indian Stamp Act, 1899 and various state-wise legislations made thereunder; and
- State-wise legislations in relation to professional tax.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various labour laws by certain Establishments) Act, 2015;
- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees Compensation Act, 1923;
- Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948;
- Equal Remuneration Act, 1976*;
- Factories Act, 1948;
- The Maternity Benefit Act, 1961;
- Industrial Disputes Act, 1947;
- Inter State Migrant Workers Act, 1979;
- Minimum Wages Act, 1948*;

- Payment of Bonus Act, 1965*;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936*;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Trade Unions Act, 1926;
- Telangana Shops and Establishments Act, 1988; and
- Industrial Employment (Standing Order) Act, 1946

The Government of India enacted 'The Code on Wages, 2019' (the "Code**") which received the assent of the President of India on August 8, 2019. The provisions of the Code will be brought into force on a date to be notified by the Central Government. The Code proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as 'Gland Pharma Private Limited', a private limited company under the Companies Act, 1956 on March 20, 1978 and was granted the certificate of incorporation by Registrar of Companies, Andhra Pradesh at Hyderabad. Subsequently, the name of our Company was changed to 'Gland Pharma Limited' pursuant to a special resolution passed by the shareholders of the Company on December 5, 1994 and a fresh certificate of incorporation dated April 25, 1995 was issued by the Registrar of Companies, Andhra Pradesh at Hyderabad consequent upon change of name and conversion into a public limited company under the Companies Act, 1956.

Changes in the registered office

Except as disclosed below, there has been no change in the registered office of our Company since the date of incorporation.

Date of change of registered office	Details of change of registered office	Reasons for change in the registered office
September 17, 2018	Shifting of registered office of the Company from Flat No. 201, Greenland Apartments, Ameerpet, Hyderabad 500 016 to Sy. No. 143 - 148, 150 and 151, Near Gandi Maisamma 'X' Roads, D.P. Pally, Dundigal, Dundigal - Gandi Maisamma (M), Medchal-Malkajgiri District, Hyderabad 500 043, Telangana, India	Administrative convenience
September 1, 2007	Shifting of registered office of the Company from No. 6-3-862, Ameerpet, Hyderabad 500 016 to No. 6-3-865/1/2, Flat no. 201, Greenland Apartments, Ameerpet, Hyderabad 500 016	Our Company was required to vacate such premises as the same was situated on leasehold premises
May 31, 1978	Shifting of registered office of the Company from 3-5-170/C-7, Narayanaguda, Hyderabad 500 029 to No. 6-3-862, Ameerpet, Hyderabad 500 016	Administrative convenience

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

(a) To carry on the business as manufacturers of and dealers in pharmaceutical, medicinal, herbal, bacteriological, biological, chemical, industrial, and other preparations, articles and compounds and druggists generally.

(b) To carry on business as manufacturers of and dealers in anatomical, orthopaedic and surgical appliances of all kinds, veterinary instruments, medical, curative and healing instruments and equipments generally artificial eyes and limbs, surgical, hospital, laboratory, observatory, chemical, electrical, photographic and scientific instruments, equipments, supplies, furniture articles and products.

The main objects as contained in our Memorandum of Association enable our Company to carry on the business presently being carried out and proposed to be carried out by it.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years:

Date of Shareholders' resolution/ Effective date	Particulars
March 17, 2020	• Sub-division of equity shares of face value of ₹10 each into Equity Shares of ₹1 each • Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹243,000,000 divided into 180,000,000 Equity Shares of ₹1 each, 5,100,000 CCPS of ₹10 each and 1,200,000 RCPS of ₹10 each to ₹563,000,000 divided into 500,000,000 Equity Shares of ₹1 each, 5,100,000 CCPS of ₹10 each and 1,200,000 RCPS of ₹10 each
May 27, 2014	• Clause V of the MoA was amended to reflect the reclassification of the authorised share capital of our Company from ₹10,000,000 divided into 1,000,000 RCPS of ₹10 each to ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each. • Clause V of the MoA was amended to reflect the increase in the authorised share capital of our Company from ₹170,000,000 divided into 17,000,000 equity shares of ₹10 each to ₹243,000,000 divided into 18,000,000 equity shares of ₹10 each, 5,100,000 CCPS of ₹10 each and 1,200,000 RCPS of ₹10 each

Major events and milestones of our Company

The table below sets forth some of the key events in the history of our Company:

Calendar year	Event
2019	• Filed Dexrazoxane for Injection, our first filing with the National Medical Products Administration, China, and received clinical waiver
2018	• Received ANDA approval for Enoxaparin Sodium Injection USP for the US market • Received ANDA approval for Olopatadine Hydrochloride Ophthalmic Solution USP, 0.1%, our first Ophthalmic product approval
2017	• Fosun Singapore acquired 74% stake in our Company
2016	• Obtained USFDA approval for our facilities at Jawaharlal Nehru Pharma City, Visakhapatnam • Obtained USFDA approval for our manufacturing facility at Pashamylaram • Obtained USFDA approval for our facility at the Visakhapatnam Special Economic Zone
2014	• Obtained USFDA approval for small volume parenteral manufacturing facility at Visakhapatnam • Commissioned the Pashamylaram Unit-II manufacturing facility • Received the 'Certificate of GMP Compliance of a Manufacturer' from MHRA (UK) for manufacturing facility at Dundigal • Capital infusion of US$ 100 million into the Company pursuant to private equity investment aggregating to approximately US$ 200 million with KKR Floorline Investment Pte Ltd
2012	• Received the 'Certificate of GMP Compliance of a Manufacturer' from BGV Hamburg (Germany) for our manufacturing facility at Dundigal
2010	• Launched Heparin Sodium Injection in the US
2007	• Capital infusion of approximately ₹1,000 million into the Company pursuant to private equity investment aggregating to approximately ₹1,200 million with EILSF Co-Invest I LLC
2004 - 2005	• Launch of Enoxaparin Sodium Injection (Cutenox) in India and Rest of the world markets
2003	• Received USFDA approval for the manufacturing facility at Dundigal
2000	• Set up the in-house R&D facility at Dundigal, Hyderabad
1978	• Incorporation of our Company by P.V.N. Raju

Awards, accreditations and recognitions received by our Company

Calendar year	Awards
2019	• Our Company was awarded the "Best Exporter" by the Hyderabad Customs • Our Company was awarded the "Express Pharma Excellence Awards 2019" under the turnover base ₹ 500 – 2000 crore category organized by the Express Pharma and Optel Group • Our Company was awarded the "Telangana Best Employer Brand Award" at the 14th Employer Branding Awards organised by the Employer Branding Institute, India
2018	• Our Company was awarded the "Top Exporter" by the Hyderabad Customs, Customs and Central Excise, Government of India • Our Company was awarded the "Outstanding Export Performance Award" under Formulations Silver Star category by Pharmaceuticals Export Promotion Council of India
2017	• Our Company was awarded the "Excellence in Export Performance" at the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry instituted by Surana Group of Industries, Secunderabad • Our Company was awarded the "Outstanding Export Performance Award" under Formulations Fast Growing -1 category by Pharmaceuticals Export Promotion Council of India
2016	• Our Company was awarded the "Top Exporter/Importer" by the Hyderabad Customs Commissionerate, Customs and Central Excise, Government of India
2014	• Our Company was awarded the "Outstanding Exports Performance Award" under the Regional (America and Oceania) category by Pharmaceuticals Export Promotion Council of India • Our Company received the BS OHSAS 18001:2007 certifying the occupational health and safety management system of our manufacturing facility at Dundigal • Our Company received ISO 14001:2015 certifying the environmental management system of our manufacturing facility at Dundigal • Our Company received ISO 9001:2015 certifying the quality management system of manufacturing facility at Dundigal

Time and cost over-runs

There have been no time and cost over-runs in respect of our business operations.

Defaults or re-scheduling, restructuring of borrowings with financial institutions/banks

There have been no defaults or re-scheduling/ re-structuring in relation to borrowings availed by our Company from any financial institutions or banks.

Significant financial or strategic partners

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial or strategic partners.

Launch of key products or services, entry into new geographies or exit from existing markets, capacity/ facility creation or location of plants

For details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity/facility creation, location of our manufacturing facilities, see "*Our Business*" on page 119.

Details regarding material acquisitions or divestments of business/ undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not acquired any business or undertaking and has not undertaken any merger, amalgamation or revaluation of assets in last 10 years.

Holding Company

Fosun Singapore is our holding company. For further details, see *"Our Promoters and Promoter Group"* on page 168.

Our subsidiaries and joint venture

As of the date of this Draft Red Herring Prospectus, our Company has no subsidiaries and joint ventures.

Details of guarantees given to third parties by the Promoter Selling Shareholder

The Promoter Selling Shareholder has not provided any guarantees to third parties.

Shareholders' agreements and other agreements

Key terms of shareholders' agreements

Existing Investors SHA and the Existing Investors WCA

Our Company, Fosun Singapore and the Existing Investors have entered into the Existing Investor SHA to govern their *inter-se* rights and obligations in our Company. Pursuant to the terms of the Existing Investor SHA, the Existing Investors are entitled to certain rights including pre-emptive rights and anti-dilution rights in case of a further issuance of shares. The Existing Investors have agreed that they are not entitled to appoint any nominee on the Board and/ or on any committee constituted for the functioning of the Company. Pursuant to the terms of the Existing Investor SHA, Existing Investors are not permitted to transfer any equity shares held by them in respect of which any governmental authority has issued an order or notice restricting the Existing Investors from transferring or disposing off, either directly or indirectly, such Equity Shares or any legal or beneficial interest therein or which are the subject matter of any attachment of similar order/direction passed by any governmental authority ("**Reserved Shares**"). Further, the restriction on the transferability of the Reserved Shares will continue till such time that the governmental authority: (i) issues an order unconditionally permitting the transfer of the Reserved Shares; and (ii) physical possession of the share certificates representing the Reserved Shares are handed over to the Existing Investors ("**Restriction Removal Event**"). On the occurrence of the Restriction Removal Event, Fosun Singapore has the right to exercise its call option, calling on all the Existing Investors to sell their shareholding at a call price to be determined in terms of the Existing Investors SHA. If the Restriction Removal Event occurs prior to the expiry of six years from the closing date i.e., October 3, 2017, the Existing Investors are entitled to exercise their put option and require Fosun Singapore to purchase all of the equity shares held by them upon expiry of such period in the event that the (i) qualified initial public offer is not completed; (ii) the Continuing Shareholders did not exercise their put option within one year from the closing date pursuant to the Continuing Shareholders SHA; and (iii) the Continuing Shareholders have completely exited from the Company and do not hold any equity shares in the Company.

Pursuant to the terms of the Existing Investors SHA, in the event of transfer of shares by the Existing Investors, to a third party, during the call option period, Fosun Singapore has the right of first refusal, and in the event of transfer of shares by Fosun Singapore to a third party, the Existing Investors Shareholders have a right to tag along in such third party sale. Further, the Existing Investors are required to obtain the prior written approval of Fosun Singapore to transfer their shares to a competitor. Further, the Existing Investors are entitled to information rights pertaining to the audited financial statements, profits and loss statements on a quarterly basis, litigation documents, legal notices etc. The terms of the Existing Investors SHA will terminate upon the earlier of: (i) mutual agreement of the parties; (ii) the date of receipt of the final listing and trading approvals of each of the Stock Exchanges on which the Equity Shares of the Company will be listed pursuant to an IPO; or (iii) the Existing Investors or their transferee ceasing to hold any equity securities of the Company, provided that, in the event any of the Existing Investors ceases to hold any equity securities, the Existing Investors SHA will terminate vis-à-vis such Existing Investor, and shall remain in force and effect vis-à-vis the remaining Existing Investors holding equity securities.

The parties to the Existing Investors SHA have entered into the Existing Investors WCA, which is effective on and from the execution date i.e., June 22, 2020 until the earlier of: (i) withdrawal of the Offer or the Draft Red Herring Prospectus; (ii) September 30, 2021; or (iii) consummation of the Offer, i.e., date of receipt of final listing and trading approvals of each of the Stock Exchanges on which the Equity Shares of the Company will be listed pursuant to an IPO ("**Term**"), on which date, the Existing Investors WCA shall cease to have any force and effect, without any further act or deed required by any party. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Existing Investors SHA shall be reinstated as of the date immediately prior to the Existing Investors WCA and the parties shall be restored to *status quo ante*. Pursuant to the terms of the Existing Investors WCA, the Existing Investors have, for the purposes of the Offer, agreed to waive their pre-emptive rights and anti-dilution rights in case of a further issuance of shares for the duration of the Term. Further, the Existing Investors have agreed that from the date of filing of the red herring prospectus of the Company with SEBI in relation to the Offer until the expiry of the Term, the Existing Investors shall maintain confidentiality of the information provided to them by the Company under the Existing Investors SHA in compliance with applicable law, and from the date of filing the red herring prospectus with the RoC, the Company shall provide information to the Existing Investors to the extent disclosed in the red herring prospectus, and to the extent permissible under applicable law.

As of the date of this Draft Red Herring Prospectus, an aggregate of 6,000,000 Equity Shares held by the Existing Investors have been attached by the Deputy Director, Enforcement Directorate under certain provisions of the Prevention of Money Laundering Act, 2002. For further details, see "*Risk Factors - There are certain outstanding legal proceedings involving our Equity Shares. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations*" on page 30.

Continuing Shareholders SHA and the Continuing Shareholders WCA

Our Company, Fosun Singapore and the Continuing Shareholders have entered into the Continuing Shareholders SHA to govern *inter-se* rights and obligations in the Company. Pursuant to the terms of the Continuing Shareholders SHA, Fosun Singapore and the Continuing Shareholders are entitled to certain rights including pre-emptive rights in case of a further issuance of shares. Further, the Continuing Shareholders are entitled to nominate two directors on the Board until such time that they hold at least 11% of the fully diluted paid-up share capital of the Company, and continue to hold the right to appoint one director upon transfer of shares, in the manner prescribed under the Continuing Shareholders SHA. Fosun Singapore is entitled to nominate all the Directors for appointment on the Board other than the independent directors and the directors nominated by the Continuing Shareholders. The Continuing Shareholders have affirmative voting rights in certain matters until such time that they hold at least 11% of the share capital of the Company or till such time they hold less than 11% but at least 5% of the share capital. Such matters *inter alia* include, changes in the charter documents of the Company, alterations of rights attached to any equity securities, issuance of equity shares with differential rights, changes to the Board size, decisions in relation to an IPO and restructuring, amalgamation and reorganisation. Further, the Continuing Shareholders are entitled to the right to receive information from our Company in relation to the financial statements, Board and general meeting minutes and information as requested. Subject to the approval of the Board, Fosun Singapore is entitled to nominate the chief financial officer and financial controller, and the Continuing Shareholders are entitled to nominate the chief operating officer and chief technical officer of the Company. The Continuing Shareholders are required to obtain the prior written approval of Fosun Singapore to transfer their shares to a competitor, including if to an affiliate who is a competitor. In the event of transfer of shares held by the Continuing Shareholders, Fosun Singapore has the right of first refusal, and in the event of transfer of shares by Fosun Singapore to a third party, the Continuing Shareholders have a right to tag along to such third party sale. The Continuing Shareholders have the right to exercise a put option requiring Fosun Singapore to either directly, or through a designated nominee, purchase all the equity shares held by the Continuing Shareholders at fair market value, in the event that there is a change in control of Fosun Singapore or a material breach by Fosun Singapore of the terms of the Continuing Shareholders SHA (other than affirmative voting rights and tag along rights) or until the expiry of June 30, 2020. In the event Fosun Singapore materially breaches the affirmative voting rights or tag along rights of the Continuing Shareholders, Fosun Singapore will be required to purchase, either directly or through a designated nominee all the equity shares held by the Continuing Shareholders, at a 20% premium above the fair market value, provided the Continuing Shareholders hold at least 5% of the Company's share capital.

Further, if the affirmative vote of the Continuing Shareholders is not provided after two attempts, a deadlock shall be deemed to arise, which if not resolved within the time prescribed under the Continuing Shareholders SHA, Fosun Singapore shall have the right to exercise a deadlock call option, requiring the Continuing Shareholders to sell all of the equity shares held by them to Fosun Singapore. In the event of default by the Continuing Shareholders, Fosun Singapore has the right to purchase all the Equity Shares of the Continuing Shareholders in the manner prescribed in the Continuing Shareholders SHA. Pursuant to the terms of the Continuing Shareholders SHA, the affirmative voting rights of the Continuing Shareholders will automatically fall away if the shareholding of the Continuing Shareholders falls below 5% of the share capital of the Company. The Continuing Shareholders SHA will terminate: (i) by mutual agreement of the parties; (ii) automatically, upon receipt of final listing and trading approvals from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to an IPO of Equity Shares of the Company; or (iii) automatically, in the event either the Continuing Shareholders or Fosun Singapore ceases to hold any Equity Shares, whichever is earlier.

The parties to the Continuing Shareholders SHA have entered into the Continuing Shareholders WCA, which is effective on and from the execution date i.e., June 22, 2020 until the earlier of: (i) withdrawal of the Offer; (ii) withdrawal of the Draft Red

Herring Prospectus; (iii) expiry of one year (or such other extended period as may be prescribed by SEBI) from the date of issuance of final observations by the SEBI in terms of Regulation 25 of the SEBI ICDR Regulations; or (iv) consummation of the Offer, i.e., upon receipt of final listing and trading approval from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to an IPO ("**Term**"), on which date, the Continuing Shareholders WCA shall automatically terminate without any further act or deed required by any party. In terms of the Continuing Shareholders WCA, during the Term, the parties have agreed to suspend/ amend certain rights including certain pre-emptive rights, anti-dilution rights, tag along rights and right of first refusal under the Continuing Shareholders SHA to facilitate the Offer, in the manner specified in the Continuing Shareholders WCA. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Continuing Shareholders SHA shall be reinstated as of the date immediately prior to the Continuing Shareholders WCA, without giving effect to the terms of the Continuing Shareholders WCA.

Tag-Along Agreement and the Tag-Along Amendment Agreement

Our Company, Continuing Shareholders and Existing Investors have entered into the Tag-Along Agreement. Under the terms of the Tag-Along Agreement, in the event that any of the Continuing Shareholders proposes to transfer equity shares of the Company held by them to a third party, then the Existing Investors have a *pro rata* tag along right in proportion to the equity shares held by them for sale of the unreserved shares (i.e., equity securities held by Existing Investors which are not Reserved Shares) held by Existing Investors.

Pursuant to the Tag-Along Amendment Agreement, the tag along rights of the Existing Investors shall terminate upon the earlier of: (a) all the Continuing Shareholders ceasing to be shareholders of the Company; or (b) the date of receipt of final listing and trading approvals from the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to an IPO of Equity Shares of the Company. The Tag-Along Amendment Agreement is effective and binding on the parties on and from the execution date i.e., June 22, 2020 until the earlier of: (i) withdrawal of the Offer or the Draft Red Herring Prospectus; (ii) September 30, 2021; or (iii) consummation of the Offer, i.e., date of receipt of final listing and trading approvals of each of the Stock Exchanges on which the Equity Shares of the Company will be listed pursuant to an IPO ("**Term**"), on which date, the Tag-Along Amendment Agreement shall cease to have any force and effect, without any further act or deed required by any party. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Tag-Along Agreement shall be reinstated as of the date immediately prior to the Tag-Along Amendment Agreement and the Parties shall be restored to *status quo ante*.

Key terms of other material agreements

Share purchase agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma, Fosun Singapore, and KKR Floorline Investments Pte. Ltd. ("KKR"), Gland Celsus Bio Chemicals Private Limited, Ethigen Labs Private Limited, Questar Laboratories Private Limited, PVN Raju and K. Jhansi Lakshmi (as trustees of Surya Trust), RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of Nilay Discretionary Trust), K. Jhansi Lakshmi and Ravindranath Penmetsa (collectively, the "Sellers"), as amended by Amendment No. 1 dated April 24, 2017, Amendment No. 2 dated July 27, 2017, and Amendment No. 3 dated September 15, 2017 ("SPA")

Pursuant to the terms of the SPA, Fosun Singapore, has agreed to purchase from the Sellers and the Sellers have agreed to sell 8,970,262 equity shares of face value of ₹10 each in aggregate, to Fosun Singapore for a consideration amounting to approximately US$ 905.21 million, being the base price under the SPA. Further, the SPA also provides the unadjusted purchase consideration for any leakage or contingent consideration payable, as specified under the SPA. Under the terms of the SPA, KKR sold 5,428,233 equity shares to Fosun Singapore. Further, K. Jhansi Lakshmi, Gland Celsus Bio Chemicals Private Limited, Ethigen Labs Private Limited, Questar Laboratories Private Limited, PVN Raju and K. Jhansi Lakshmi (as trustees of Surya Trust), RP Advisory Services Private Limited (as trustee of the Nilay Discretionary Trust), the trustees of Rivendell Discretionary Trust, and RP Advisory Services Private Limited (as trustee of the Odin Discretionary Trust) sold 12,000 equity shares, 2,020,141 equity shares, 350,000 equity shares, 350,622 equity shares, 200,900 equity shares, 100,000 equity shares, 190,000 equity shares, and 318,366 equity shares, respectively to Fosun Singapore. Pursuant to the terms of the SPA, the Company entered into indemnity deeds with the nominee directors of KKR and the non-KKR directors, resigning from the Board, to indemnify and hold harmless such directors from any claims, charges, demands, penalties, or actions brought against such directors for actions taken as directors of the Company.

Share purchase agreement dated July 28, 2016 entered into amongst our Company, Fosun Singapore, Shanghai Fosun Pharma, Fosun Industrial Co., Limited, Ample Up Limited, Lustrous Star Limited, Regal Gesture Limited (collectively, the "Purchasers"), Udo Johannes Vetter, Bianca Maria Vetter, Cornelia Vetter Kerkhoff, Klaus Schoenwetter and Kaara Radon (collectively, the "Sellers"), as amended by Amendment No. 1 to the Vetter SPA dated September 15, 2017 ("Vetter SPA")

Pursuant to the terms of the Vetter SPA, the Sellers agreed to sell an aggregate of 1,553,500 equity shares of face value of ₹10 each and the Purchasers agreed to purchase such aggregate number of shares from the Sellers for a consideration amounting to US$ 100.26 million. Under the Vetter SPA, Udo Johannes Vetter, Bianca Maria Vetter, Cornelia Vetter Kerkhoff, Klaus Schoenwetter and Kaara Radon sold 447,396 equity shares, 338,600 equity shares, 338,600 equity shares, 108,700 equity shares

and 320,200 equity shares, respectively, to Fosun Singapore. Udo Johannes Vetter sold one equity share each to Fosun Industrial Co., Limited, Ample Up Limited, Lustrous Star Limited and Regal Gesture Limited.

Share subscription agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma and Fosun Singapore, as amended by the amendment no. 1 dated September 15, 2017 ("Subscription Agreement")

Pursuant to the terms of the Subscription Agreement, Fosun Singapore agreed to subscribe to 942,500 compulsory convertible preference shares of face value of ₹10 each of our Company, and the Company has agreed to issue and allot such compulsory convertible preference shares, for a consideration of US$ 60.83 million.

The compulsory convertible preference shares issued to Fosun Singapore under the Subscription Agreement were converted to equity shares as disclosed in "*Capital Structure – History of the Equity Share capital held by our Promoters - Build-up of the shareholding of our Promoters in our Company*" on page 65.

Buy-back agreement dated July 28, 2016 entered into amongst our Company, Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investment Private Limited and Veeyes Investments Private Limited (collectively, the "Participating Shareholders") as amended by amendment no. 1 dated April 24, 2017, amendment no. 2 dated July 27, 2017 and amendment no. 3 dated September 15, 2017 ("Buy-Back Agreement")

Pursuant to the terms of the Buy-Back Agreement, our Company agreed to cause a buy-back of 942,500 equity shares of face value of ₹10 each for an aggregate consideration of the INR equivalent of US$ 60.83 million. The Participating Shareholders agreed to tender an aggregate of 942,500 equity shares of face value of ₹10 each of our Company which constituted approximately 6% of the outstanding paid-up equity share capital of the Company in the buy-back, and which comprised of 100% of the Participating Shareholders' shareholding in the Company. Further, Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investment Private Limited and Veeyees Investments Private Limited agreed to tender 280,000 equity shares, 280,000 equity shares, 280,000 equity shares and 102,500 equity shares, respectively in the buy-back.

As of the date of this Draft Red Herring Prospectus, the buy-back of equity shares under the Buy-Back Agreement has been completed. For details, see "*Capital Structure*" on page 61.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Board of Directors

In terms of the Articles of Association, our Company is required to have not more than nine Directors on the Board of Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of nine Directors including three Independent Directors, five Non-Executive Nominee Directors and one Executive Director. Our Board comprises of one woman director.

The following table sets forth details regarding our Board of Directors as of the date of this Draft Red Herring Prospectus:

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
1.	Yiu Kwan Stanley Lau ***Designation***: Chairman and Independent Director ***Address:*** 232 Lakeside Ville Lane 15, 17 Huqingping Road, Shanghai 201 702, China ***Occupation:*** Service ***Date of birth:*** August 30, 1954 ***Period and term:*** For a period of five years, with effect from June 10, 2019 and not liable to retire by rotation ***DIN:*** 08455325	65	**Indian companies:** Nil **Foreign companies:** • Solasia Pharma K.K.; and • TaiLai Bioscience Ltd
2.	Srinivas Sadu ***Designation:*** MD and CEO ***Address:*** H. No. 44-108/MIG-31, APIIC Colony, Moulali, Hyderabad 500 040, Telangana, India ***Occupation:*** Service ***Date of birth:*** April 15, 1969 ***Period and term:*** For a period of three years, with effect from April 25, 2019 and liable to retire by rotation ***DIN:*** 06900659	51	**Indian companies:** • Sadu Advisory Services Private Limited **Foreign companies:** Nil
3.	Qiyu Chen ***Designation:*** Non-Executive Nominee Director[(1)] ***Address:*** Room 8-D, No. 98, West Guangyuan Road, Shanghai 200 030, China ***Occupation:*** Business Management ***Date of birth:*** April 30, 1972 ***Period and term:*** With effect from October 3, 2017 and is not liable to retire by rotation ***DIN:*** 07675421	48	**Indian companies** Nil **Foreign companies:** • Beijing Sanyuan Foods Co., Ltd. • Beijing Xingyuan Innovative Equity Investment Fund Management Co., Ltd. • Beijing Zhongming Century Technology Co., Ltd. • Chongqing Yaoyou Pharmaceuticals Co., Ltd. • Filton Inc. • Foshan City Chancheng District Central Hospital Co., Ltd. • Fosun Asset Holdings Limited • Fosun Atlas Capital Management LLC

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
			• Fosun Capital Holdings Limited • Fosun Financial Holdings Limited • Fosun Fortune Holdings Limited • Fosun Health Holdings Limited • Fosun Industrial Co., Limited • Fosun Industrial Holdings Limited • Fosun International Limited • Fosun Investment Co., Ltd. • Fosun Japan Investment Co., Ltd. • Fosun Sinopharm (Hong Kong) Logistics Properties Management Company Limited • Fosun Starlight (HK) Limited • Fosun Tonghao Capital (HK) Limited • Fosun United Health Insurance Company Limited • Fosun Wealth Holdings Limited • Fosun Yinkong Holdings (HK) Limited • Guangzhou Nanyang Tumour Hospital Co., Ltd. • HCo I (HK) Limited • HCo II (HK) Limited • Health Anchor Limited • Healthy Harmony Holdings, L.P. • Hengenix Biotech, Inc. • Henlix, Inc. • Jiangsu Wanbang Biopharmaceutical Company Limited • Jiangsu Wanbang Pharmaceutical Marketing and Distribution Co., Ltd. • Kennington Holdings, Inc. • Luz Saúde, S.A. • Miracle Nova (UK) Limited • Miracle Nova I (US), LLC • Miracle Nova II (US), LLC • New Frontier Health Corporation • Ningbo Meishan Tax Reserve Harbour Fuyuan Investment Management Co., Ltd

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
			• Ningbo Meishan Tax Reserve Harbour Xingbao Investment Management Co., Ltd • Plata Cross (HK) Limited • Plata Cross (UK) Limited • Shang Pingrun Investment Management Co., Ltd. • Shanghai Fukun Pharmaceutical Technology Development Co., Ltd. • Shanghai Fosun Economy & Trade Co., Ltd. • Shanghai Fosun Health Industrial Holdings Limited • Shanghai Fosun High Technology (Group) Company Limited • Shanghai Fosun Hospital Investment (Group) Co., Ltd. • Shanghai Fosun Industrial Investment Co., Ltd. • Shanghai Fosun Industrial Technology Development Co., Ltd. • Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. • Shanghai Fosun Pharmaceutical (Group) Co., Ltd. • Shanghai Fosun Pingyao Investment Management Co., Ltd. • Shanghai Fosun Pioneering Investment Management Ltd. • Shanghai Fuer Medical Star Hospital Management Co., Ltd • Shanghai Fusheng Pharmaceutical Technology Development Co., Ltd • Shanghai Henlius Biopharmaceuticals Co., Ltd. • Shanghai Henlius Biotech Co., Ltd. • Shanghai Henlius Biotech, Inc. • Shanghai Xingchen Children's Hospital Co., Ltd. • Shanghai Xingmai Information Technology Co., Ltd • Shanghai XingShuangjian Medical Investment Management Co., Ltd • Silver Cross Trading (Shanghai) Limited • Sinopharm Group Co., Ltd • Sinopharm Industrial Investment Co., Ltd

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
			• Sinopharm Medical Investment Management Co., Ltd. • Spinel Investment Limited • Startree (BVI) Limited • Tianjin Pharmaceutical Group Co., Ltd. • Tibet Fosun Investment Management Co., Ltd. • We Doctor Group Limited • Xuzhou Wanbang Jinqiao Pharmaceutical Co., Ltd.
4.	Dongming Li ***Designation:*** Non-Executive Nominee Director[(2)] ***Address:*** RM. 2601, No.93, Lane 99, Zhongtan Road, Putuo District, Shanghai 200 061, China ***Occupation:*** Business Management ***Date of birth:*** September 16, 1969 ***Period and term:*** Re-appointed with effect from August 29, 2019 and is liable to retire by rotation ***DIN:*** 08047543	50	**Indian companies:** Nil **Foreign companies:** • Avanc Pharmaceutical Co., Ltd • Beijing Fosun Pharmaceutical Research and Development Co. Ltd • Fosun Orinove Pharmatech, Inc. • Fosun Pharma Sp. z. o. o. • Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd. • Guilin South Pharmaceutical Co. Ltd • Jiangsu Sunova Pharma Tech Co., Ltd • Novelstar Pharmaceuticals INC. • Shanghai Fuxing New Medicine Research Co., Ltd • Suzhou Erye Pharmaceutical Co. Ltd • Tianjin Pharmaceutical Group Co. Ltd • Tridem Pharma Afrique Francophone • Tridem Pharma S.A.S.
5.	Xiaohui Guan ***Designation:*** Non-Executive Nominee Director[(3)] ***Address:*** Room 201, No. 26, Lane 1001 South Henan Road, Huangpu District, Shanghai 200 011, China ***Occupation:*** Business Management ***Date of birth:*** March 14, 1971 ***Period and term:*** Re-appointed with effect from August 29, 2019 and is liable to retire by rotation ***DIN:*** 07675466	49	**Indian companies:** Nil **Foreign companies:** • Ample Up Limited • Beijing Golden Elephant Fosun Pharmaceutical Co., Ltd • Chindex (Beijing) International Trade Co., Ltd • Chindex Medical Limited

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
			• Fosun Industrial Co., Limited • Fosun Kangjian Financial Leasing (Shanghai) Co., Ltd • Fosun Lead (Shanghai) Healthcare Technology Co., Ltd • Guangzhou Changqianhe Investment Management Co., Ltd • Guangzhou Fosun Hunan Medical Investment Co., Ltd • Lustrous Star Limited • Nova Jv (US) LLC • Regal Gesture Limited • Saladax Biomedical, Inc. • Shanghai Clone Biological High Technology Co., Ltd • Shanghai Foshion Medical System Co., Ltd • Shanghai Fosun Chemistry Pharmaceutical Pioneering Investment Co., Ltd • Shanghai Fosun High Technology Group Financial Co., Ltd • Shanghai Fosun Long March Medical Science Co., Ltd • Shanghai Fukun Pharmaceutical Technology Development Co., Ltd • Shanghai Henlius Biopharmaceuticals Biopharma Co., Ltd • Shanghai Henlius Biopharmaceuticals Co., Ltd • Shanghai Henlius Biotech, Inc. • Shanghai Innovative Technology Co., Ltd • Sinopharm Group Co., Ltd
6.	Yiran Peng ***Designation:*** Non-Executive Nominee Director(4) ***Address:*** Room 203, No. 3, Lane 1141, Taolin Rd., Pudong New Area, Shanghai 200 135, China ***Occupation:*** Business Management ***Date of birth:*** June 30, 1977 ***Period and term:*** With effect from October 3, 2017 and is liable to retire by rotation ***DIN:*** 07675475	43	**Indian companies:** Nil **Foreign companies:** • Fosun Pharma Spółka z ograniczoną • Fosun Pharma USA Inc. • Fosun Pharmaceutical AG • Tridem Pharma

S. No.	Name, designation, address, occupation, date of birth, period of directorship and DIN	Age (years)	Other directorships
7.	Udo Johannes Vetter ***Designation:*** Non-Executive Nominee Director[5] ***Address:*** Banneggstr, 57 Ravensburg, Ravensburg 0088214, Germany ***Occupation:*** Business ***Date of birth:*** November 23, 1954 ***Period and term:*** With effect from November 20, 2018 and is liable to retire by rotation ***DIN:*** 00707474	65	**Indian companies:** • Paschal Form Work (India) Private Limited **Foreign companies:** • FVW GmbH & Co. K. G., Germany • ITM AG Germany • Navigo Proteins GmbH & Co. K. G., Germany
8.	Moheb Ali Mohammed ***Designation:*** Independent Director ***Address:*** H. No. 8-2-676/B/2/12, Plot No.48 Sai Nagar Colony, Road No. 13, Banjara Hills, Hyderabad 500 034, Telangana, India ***Occupation:*** Retired from Government Service ***Date of birth:*** December 12, 1943 ***Period and term:*** For a period of five years, with effect from April 25, 2019 and not liable to retire by rotation ***DIN:*** 00699254	76	Nil
9.	Satyanarayana Murthy Chavali ***Designation:*** Independent Director ***Address:*** 2-293/82/A/408, Plot No.408, Road No-22A, Jubilee Hills, Shaikpet, Hyderabad 500 033, Telangana, India ***Occupation:*** Service ***Date of birth:*** March 12, 1967 ***Period and term:*** For a period of five years, with effect from November 20, 2018 and not liable to retire by rotation ***DIN:*** 00142138	53	**Indian companies:** • Balaji Amines Limited; and • Gland Chemicals Private Limited **Foreign companies:** Nil

(1) Qiyu Chen was re-designated from Non-Executive Director to Non-Executive Nominee Director of Fosun Singapore with effect from March 26, 2020

(2) Dongming Li was re-designated from Non-Executive Director to Non-Executive Nominee Director of Fosun Singapore with effect from March 26, 2020

(3) Xiaohui Guan was re-designated from Non-Executive Director to Non-Executive Nominee Director of Fosun Singapore with effect from March 26, 2020

(4) Yiran Peng was re-designated from Non-Executive Director to Non-Executive Nominee Director of Fosun Singapore with effect from March 26, 2020

(5) Udo Johannes Vetter was re-designated from Non-Executive Director to Non-Executive Nominee Director of the Continuing Shareholders with effect from March 26, 2020

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Yiu Kwan Stanley Lau is the Chairman and Independent Director of our Company. He holds a bachelor's degree in pharmacy from the The School of Pharmacy, University of London. He is a director on the board of directors Solasia Pharma K. K. and TaiLai Bioscience Ltd. He was previously the chief executive officer of Amsino Medical Group, the chief operating officer of Eddingpharm Investment Co. Ltd, and the president of China Biologic Products, Inc. He has also worked with Merck Sharp & Dohme (Asia) Ltd and Baxter (China) Investment Co., Ltd.

Srinivas Sadu is the MD and CEO of our Company. He holds a bachelor's degree in pharmacy from Gulbarga University, a master's degree in science from Long Island University, New York and a master's degree in business administration from University of Baltimore. He also holds a post graduate certificate in finance and management from the London School of Business and Finance. He has previously worked at Natco Pharma Limited at Hyderabad, India, and is presently a director on the board of Sadu Advisory Services Private Limited. He has over 21 years of experience in business operations and management. He joined our Company as the general manager – exports in 2000, and was elevated to position of senior general manager in 2002, vice president in 2003, director in 2005, and chief operating officer in 2011. He was appointed as the MD and CEO with effect from April 25, 2019.

Qiyu Chen is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in genetics from Fudan University and a master's degree in business administration from China Europe International Business School. He is the global partner of the Fosun group. He is also the executive director and chairman on the board of Shanghai Fosun Pharmaceutical (Group) Co., Ltd., chairman of Shanghai Fosun High Technology (Group) Co., Ltd, and an executive director and co-chief executive officer on the board of Fosun International Limited, a company listed on the Stock Exchange of Hong Kong Limited, and chairman of Fosun Healthcare Holdings, and Fosun Health Insurance and Health Management Group. He is also on the boards of Sinopharm Group Co., Ltd., a company listed on the Stock Exchange of Hong Kong Limited; and Beijing Sanyuan Foods Co., Ltd., a company listed on the Shanghai Stock Exchange. He joined the Fosun group in April 1994 and was appointed as an executive director of the Fosun group in May 2005.

Dongming Li is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in science from Fudan University. He has served as a senior vice president of Shanghai Fosun Pharmaceutical Industry Co., Ltd since April 2017. He is also the vice president of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. He previously worked at Shanghai Pharmaceuticals (Group) Co., Limited, and at Shanghai Roche Pharmaceutical Co., Ltd. from May 2008 to November 2013.

Xiaohui Guan is a Non-Executive Nominee Director of our Company. She holds a master's degree in professional accountancy from the Chinese University of Hong Kong. She is also a member of the Association of Chartered Certified Accountants and a non-practising member of the Shanghai Institute of Certified Public Accountants. She joined the Fosun group in May 2000. She is the senior vice president and chief financial officer of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. and non-executive director of Sinopharm Group Co., Ltd, a company listed on the Stock Exchange of Hong Kong Limited. Previously, she was the supervisor at the China National Accord Medicines Corporation Ltd.

Yiran Peng is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in economics from Jiangxi University of Finance and Economics and a master's degree in business administration from China Europe International Business School. He is the vice president of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. He previously worked at GlaxoSmithKline China Investment Co., Ltd.

Udo Johannes Vetter is a Non-Executive Nominee Director of our Company. He holds a bachelor's degree in science (pharmacy) from the University of Washington. He has been associated with the Vetter/ Vetter Pharma group of companies since 1987, and is currently the chairman on the board of directors of Vetter Pharma (Corporation).

Moheb Ali Mohammed is an Independent Director of our Company. He holds a master's degree in history and international relations from Madras University. He has previously worked with the Customs Excise and Service Tax Appellate Tribunal as a member (technical).

Satyanarayana Murthy Chavali is an Independent Director of our Company. He holds a bachelor's degree in technology from Indian Institute of Technology, Madras and a post graduate diploma in management from Indian Institute of Management, Bangalore. He was a chief executive officer of Aurigene Discovery Technologies Limited, and has previously worked at Dr. Reddy's Laboratories Limited.

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

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 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.

Other than Satyanarayana Murthy Chavali, who is an independent director on the board of directors of one of our Group Companies, Gland Chemicals Private Limited, from which our Company purchased certain land as disclosed in "*Our Group*

Companies - Nature and extent of interest of our Group Companies" on page 183, none of our Directors have any interest in any property acquired in the three years 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.

Terms of appointment of Directors

1. Remuneration to Executive Director:

Srinivas Sadu was appointed as the MD and CEO of our Company by a Board resolution dated April 25, 2019 and Shareholders' resolution dated May 24, 2019. The remuneration to Srinivas Sadu was ₹33.22 million (excluding gratuity and leave encashment provision) in Fiscal 2020. The Board and Shareholders, pursuant to resolutions dated March 26, 2020 and March 27, 2020, respectively, have approved the following remuneration payable to Srinivas Sadu:

Particulars
Total fixed cost to our Company including basic salary, allowances, contribution to provident fund and gratuity in accordance with the policies of our Company — ₹27.42 million
Variable pay of ₹6 million, based on performance and overall performance of the Company in calendar year 2019.
An annual remuneration including performance linked bonus in accordance with the policy of the Company and not exceeding 1% of the net profits of the Company in accordance with the provisions of the Companies Act, 2013, during Fiscals 2021 and 2022. The following shall not be included in the aforesaid limit of 1% of the net profit of the Company: a. Gratuity payable as per the rules of our Company at the end of the tenure; and b. Encashment of un-availed leave as per the rules of our Company at the time of retirement/ cessation of service.

2. Compensation to Non- Executive Directors and Independent Directors:

Pursuant to Board resolution dated August 21, 2018, our Non-Executive Directors and Independent Directors are entitled to receive sitting fees of ₹0.10 million per meeting of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder and receive no sitting fees for attending meetings of the committees of the Board.

The details of remuneration paid to our other Non- Executive Directors and Independent Directors during Fiscal 2020 are as follows:

S. No.	Name of Director	Sitting fees paid (in ₹ million)	Commission paid (in ₹ million)
1.	Yiu Kwan Stanley Lau	0.50	4.54
2.	Qiyu Chen	Nil	-
3.	Dongming Li	Nil	-
4.	Xiaohui Guan	Nil	-
5.	Yiran Peng	Nil	-
6.	Udo Johannes Vetter	0.20	-
7.	Moheb Ali Mohammed	0.60	1.51
8.	Satyanarayana Murthy Chavali	0.70	1.51

Further, pursuant to Board resolution dated November 1, 2019 and Shareholders resolution dated November 29, 2019, our Independent Directors are entitled to receive the following commission for a period of three years commencing from Fiscal 2020:

Name of Director	Commission payable
Yiu Kwan Stanley Lau	0.20% on audited net profit of the Company subject to a maximum of INR equivalent to US$ 60,000 per annum
Moheb Ali Mohammed	0.10% on audited net profit of the Company subject to a maximum of INR equivalent to US$ 20,000 per annum
Satyanarayana Murthy Chavali	0.10% on audited net profit of the Company subject to a maximum of INR equivalent to US$ 20,000 per annum

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for our Non-Executive Nominee Directors, namely, Qiyu Chen, Dongming Li, Xiaohui Guan and Yiran Peng, who have been nominated for appointment, and our MD and CEO, Srinivas Sadu, who is deemed to have been appointed by our Promoter, Fosun Singapore, pursuant to the terms of the Continuing Shareholders SHA, and Udo Johannes Vetter, who has been appointed by the Continuing Shareholders pursuant to the terms of the Continuing Shareholders SHA, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was selected as a director.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

Except as disclosed below, none of our Directors hold any Equity Shares or employee stock options of the Company:

S. No.	Name	No. of Equity Shares	Percentage of the pre-Offer Equity Share Capital (%)	Number of employee stock options outstanding*	Percentage of the post-Offer of Equity Share Capital (%)
1.	Srinivas Sadu	Nil	Nil	240,000	[●]
Total		Nil	Nil	240,000	[●]

**Post sub-division of Equity Shares on March 17, 2020*

Interests of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Further, our Directors (excluding our Independent Directors) are entitled to participate in the ESOP Plan 2019 and the ESOP Scheme 2019.

Except as stated in "*Other Financial Information- Related Party Transactions*" on page 239, and as disclosed in this section, our Directors do not have any other interest in our business.

The Directors may also be regarded as interested in the Equity Shares that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer.

Our Non-Executive Nominee Directors, namely, Qiyu Chen, Dongming Li, Xiaohui Guan and Yiran Peng, have been nominated by, and our MD and CEO, Srinivas Sadu, is deemed to have been appointed by, our Promoter, Fosun Singapore, pursuant to the terms of the Continuing Shareholders SHA.

Other than Satyanarayana Murthy Chavali, who is an independent director on the board of directors of one of our Group Companies, Gland Chemicals Private Limited, from which our Company purchased certain land as disclosed in "*Our Group Companies - Nature and extent of interest of our Group Companies*" on page 183, none of our Directors have any interest in any property acquired or proposed to be acquired of the Company or by the Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the Directors is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Qiyu Chen	March 26, 2020	Change in designation to Non-Executive Nominee Director
Dongming Li	March 26, 2020	Change in designation to Non-Executive Nominee Director
Xiaohui Guan	March 26, 2020	Change in designation to Non-Executive Nominee Director
Yiran Peng	March 26, 2020	Change in designation to Non-Executive Nominee Director
Udo Johannes Vetter	March 26, 2020	Change in designation to Non-Executive Nominee Director
Dongming Li	August 29, 2019	Re-appointment as non-executive director
Xiaohui Guan	August 29, 2019	Re-appointment as non-executive director
Yiu Kwan Stanley Lau	June 10, 2019	Appointment as additional independent director(1)
Yifang Wu	June 10, 2019	Resignation as non-executive director
Moheb Ali Mohammed	April 25, 2019	Re-appointment as Independent Director
Srinivas Sadu	April 25, 2019	Appointment as additional executive director and as MD and CEO(2)
Ravindranath Penmetsa	April 25, 2019	Resignation as the managing director and chief executive officer
P.V.N. Raju	November 20, 2018	Resignation as whole-time director
Satyanarayana Murthy Chavali	November 20, 2018	Appointment as additional independent director(3)
Udo Johannes Vetter	November 20, 2018	Change in designation to non-executive director
Udo Johannes Vetter	February 7, 2018	Appointment as additional independent director(4)
Dongming Li	February 7, 2018	Appointment as additional non-executive director(5)
Ying Shao	February 7, 2018	Resignation as non-executive director
Davinder Singh Brar	February 7, 2018	Resignation as non-executive director

Name	Date of Appointment/ Change/Cessation	Reason
Yiran Peng	October 3, 2017	Appointment as non-executive director
Xiaohui Guan	October 3, 2017	Appointment as non-executive director
Qiyu Chen	October 3, 2017	Appointment as a non-executive director
Yifang Wu	October 3, 2017	Appointment as non-executive director
Ying Shao	October 3, 2017	Appointment as non-executive director
Karan Singh Swani	October 3, 2017	Resignation as non-executive nominee director
Sanjay Omprakash Nayar	October 3, 2017	Resignation as non-executive nominee director
Udo Johannes Vetter	October 3, 2017	Resignation as non-executive director
B. Narasimha Rao	October 3, 2017	Resignation as whole-time director
Srinivas Sadu	October 3, 2017	Resignation as whole-time director
K. Jhansi Lakshmi	October 3, 2017	Resignation as whole-time director

(1) *The appointment of Yiu Kwan Stanley Lau to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on July 8, 2019*

(2) *The appointment of Srinivas Sadu to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on May 24, 2019*

(3) *The appointment of Satyanarayana Murthy Chavali to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on May 24, 2019*

(4) *The appointment of Udo Johannes Vetter to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on March 13, 2018*

(5) *The appointment of Dongming Li to the Board was regularised pursuant to a Shareholders' resolution passed at the EGM held on March 13, 2018*

Borrowing Powers of Board

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder, our Board is authorised to borrow such monies which together with the money already borrowed does not exceed the paid-up capital and free reserves of our Company.

Corporate Governance

The corporate governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the Listing Regulations and the guidelines issued thereunder from time to time. Our Board comprises nine Directors including three Independent Directors, five Non-Executive Directors and one Executive Director. Our Board comprises one woman director.

The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Moheb Ali Mohammed, *Chairman*;

2. Xiaohui Guan; and

3. Satyanarayana Murthy Chavali

The Audit Committee was last reconstituted by the Board of Directors at their meeting held on November 20, 2018. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Audit Committee include:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of our Company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   (a) Matters required to be included in the director's responsibility statement to be included in the Board's report, in terms of the Companies Act, 2013;

   (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) Qualifications and modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Examination of the financial statement and auditor's report thereon;

7. Monitoring the end use of funds raised through public offers and related matters;

8. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the issue document/prospectus/notice and making appropriate recommendations to the Board to take up steps in this matter;

9. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

10. Approval or any subsequent modification of transactions of the Company with related parties;

11. Scrutiny of inter-corporate loans and investments;

12. Valuation of undertakings or assets of the Company, wherever it is necessary;

13. Evaluation of internal financial controls and risk management systems;

14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

15. 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;

16. Discussion with internal auditors of any significant findings and follow up there on;

17. 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;

18. Discussion with statutory auditors, internal auditors, secretarial auditors and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

19. 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;

20. To review the functioning of the whistle blower mechanism;

21. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

22. Carrying out any other function as may be required / mandated as per the provisions of the Companies Act, 2013, Listing Agreements and/or any other applicable laws;

23. Reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;

2. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. management letters / letters of internal control weaknesses issued by the statutory auditors;

4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee.

6. statement of deviations as and when becomes applicable:

   (a) quarterly statement of deviation(s) submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.

   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Listing Regulations.

The Audit Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Moheb Ali Mohammed, *Chairman*;

2. Udo Johannes Vetter;

3. Satyanarayana Murthy Chavali; and

4. Dongming Li

The Nomination and Remuneration Committee was last reconstituted by the Board of Directors at their meeting held on June 10, 2019. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee include:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;.

   The Nomination and Remuneration Committee, while formulating the above policy, should ensure that —

   a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

2. Formulating criteria for evaluation of performance of independent directors and the Board of Directors;

3. Devising a policy on diversity of Board of Directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of directors their appointment and removal;

5. Extending or continuing the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

6. Recommending to the Board, all remuneration, in whatever form, payable to senior management;

7. Carrying out any other function as is mandated by the Board from time to time and/ or enforced/mandated by any statutory notification, amendment or modification, as may be applicable; and

8. Performing such other functions as may be necessary or appropriate for the performance of its duties.

Stakeholders' Relationship and Share Transfer Committee

The members of the Stakeholders' Relationship and Share Transfer Committee are:

1. Satyanarayana Murthy Chavali, *Chairman*;

2. Srinivas Sadu; and

3. Yiran Peng

The Stakeholders' Relationship and Share Transfer Committee was constituted by the Board of Directors at their meeting held on February 11, 2020. The scope and function of the Stakeholders' Relationship and Share Transfer Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

The terms of reference of the Stakeholders' Relationship and Share Transfer Committee are as follows:

1. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, notice for general meetings etc.;

2. To review of measures taken for effective exercise of voting rights by shareholders;

3. To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and

4. To 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.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Moheb Ali Mohammed, *Chairman*;

2. Yiran Peng; and

3. Srinivas Sadu

The Corporate Social Responsibility Committee was last reconstituted by the Board of Directors at their meeting held on April 25, 2019. The terms of reference of the Corporate Social Responsibility Committee include the following:

1. Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013.

2. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years;

3. Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;

4. Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;

5. Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

6. Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and

7. Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company

IPO Committee

The members of the IPO Committee are:

1. Qiyu Chen;

2. Srinivas Sadu;

3. Satyanarayana Murthy Chavali;

4. Yiran Peng; and

5. Dongming Li

The special invitees to the meetings of the IPO Committee are Ravi Shekhar Mitra, Yao Fang and Wu Rong. The IPO Committee was constituted by our Board of Directors pursuant to a resolution dated November 1, 2019. The terms of reference of the IPO Committee authorise it to, *inter alia*,

a) to make applications, seeking clarifications, obtain approvals and seek exemptions from, where necessary, the RBI, the SEBI, the RoC and any other governmental or statutory authorities in connection with the Offer and accept on behalf of the Board such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions as may be required and wherever necessary, incorporate such modifications / amendments as may be required in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus,as applicable;

b) appointing, in consultation with the BRLMs, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI ICDR Regulations and other applicable laws including legal counsels, banks or agencies concerned and entering into any agreements or other instruments for such purpose, to remunerate all such intermediaries/agencies including the payments of commissions, brokerages, etc. and to terminate any agreements or arrangements with such intermediaries/ agents;

c) to decide in consultation with the BRLMs on the size, timing, pricing, discount, reservation and all the terms and conditions of the Offer, including the price band (including the issue price for anchor investors), bid period, offer price, and to do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Offer including to make any amendments, modifications, variations or alterations thereto;

d) to take all actions as may be necessary and authorized in connection with the Offer for Sale and to approve and take on record the transfer of Equity Shares in the Offer for Sale, extending the Bid/Offer period, revision of the Price Band, allow revision of the Offer for Sale portion in case any Selling Shareholder decides to revise it, in accordance with applicable laws;

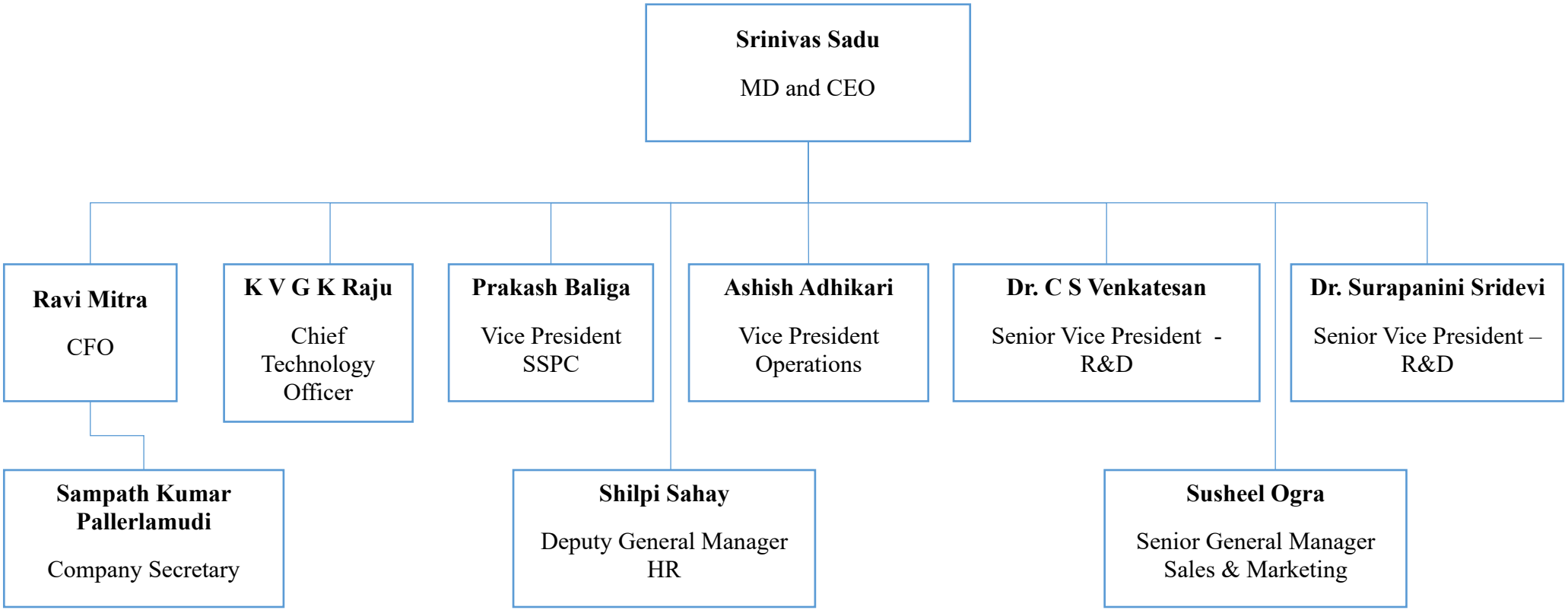
e) to settle all questions, difficulties or doubts that may arise in regard to the Offer, including such issues or allotment and matters incidental thereto as it may deem fit and to delegate such of its powers as may be deemed necessary and permissible under applicable laws to the officials of the Company; and

f) to negotiate, finalize, settle, execute and deliver any and all other documents or instruments and to do or cause to be done any and all acts or things as the IPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of this resolution or in connection with the Offer and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO Committee shall be conclusive evidence of the authority of the IPO Committee in so doing.

Other committees of our Company

In addition to the committees mentioned in "- *Committees of the Board*" on page 159, our Company has constituted various other committees, such as the Risk Management Committee and ESOP Compensation Committee to oversee and govern various internal functions and activities of our Company.

Management Organisation Chart



Key Managerial Personnel

The details of the Key Managerial Personnel of our Company are as follows:

Srinivas Sadu is the MD and CEO of our Company. For further details in relation to him, see "– *Brief Biographies of Directors*" on page 155. For details of compensation paid to him, see "*Terms of Appointment of Directors*" on page 157.

Ravi Shekhar Mitra is the CFO of our Company. He holds a bachelor's degree in commerce from University of Calcutta. He is an associate member of the Institute of Chartered Accountants of India and an associate member of the Institute of Company Secretaries of India. He has over 20 years of experience in finance. Prior to joining our Company, he has worked at Indian Oil Corporation Limited, Vedanta-Sterlite Industries (India) Ltd, Ranbaxy Laboratories Limited (now merged with Sun Pharmaceutical Industries Limited) and Wockhardt Limited. He joined our Company as the CFO on September 30, 2019. The remuneration to him was ₹5.74 million (excluding gratuity and leave encashment provision) in Fiscal 2020.

K V G K Raju is the Chief Technology Officer of our Company. He holds a bachelor's degree in science from Andhra University. He has over 28 years of experience in the field of technology, quality control and development. He joined our Company as the manager – quality control and development in 1992, and was re-designated as controller – quality assurance and development in 1993, and subsequently elevated to the position of general manager – quality control in 1997, vice president – technical in 2000 and Chief Technology Officer on April 30, 2011. He was paid a compensation of ₹13.12 million in Fiscal 2020.

Prakash Baliga is the Vice President – Strategic Sourcing, Procurement and Commercial of our Company. He holds a bachelor's degree in pharmacy from Karnatak University, Dharwad and a master's degree in pharmacy from Bangalore University. He has over 24 years of experience in the pharmaceutical sector. Prior to joining our Company, he has worked at Hospira Healthcare India Private Limited, AstraZeneca India Private Limited, Recon Limited, Bangalore Pharmaceutical & Research Laboratory Ltd. and Dominion Chemical Industries Ltd. He joined our Company as assistant vice president – strategic sourcing, procurement and commercial in 2016 and was elevated to the position of Vice President – Strategic Sourcing, Procurement and Commercial on January 1, 2020. He was paid a compensation of ₹6.08 million in Fiscal 2020.

Ashish Adhikari is the Vice President - Operations of our Company. He holds a bachelor's degree in engineering from Savitribai Phule Pune University, a master's degree in engineering from Lamar University, Texas and has completed the executive general management programme from the Indian Institute of Management, Bangalore. He has over 21 years of experience in field of production planning, operations and engineering. Prior to joining our Company, he has worked at Cummins India Limited, Enterprise Systems Partners, USA, ABB Global Services Ltd, American Power Conversion (India) Private Limited, Gateway Terminals India Private Limited and GlaxoSmithKline Pharmaceuticals Limited. He joined our Company as the Vice President - Operations on August 12, 2019. He was paid a compensation of ₹5.70 million in Fiscal 2020.

C S Venkatesan is the Senior Vice President – R&D of our Company. He holds a master's degree in science in organic chemistry from Annamalai University and doctor of philosophy degree from the Indian Institute of Science, Bangalore. He has over 26 years of experience in the field of pharmacy, research and development. Prior to joining our Company, he worked at Sun Pharmaceutical Industries Ltd. He joined our Company as the R&D chemist in 1998, was elevated to the position of manager R&D in 2001, general manager – R&D in 2004, vice president – R&D in 2005, and was appointed as the Senior Vice President – R&D on January 1, 2020. He was paid a compensation of ₹12.26 million in Fiscal 2020.

Surapanini Sridevi is the Senior Vice President – R&D of our Company. She holds a bachelor's degree in pharmacy from Kakatiya University, a master of pharmacy from Banaras Hindu University, and a doctor of philosophy degree in pharmaceutical science from Osmania University. She has over 25 years of experience in the field of pharmacy, research and development. Prior to joining our Company, she has worked at the Council of Scientific & Industrial Research as a senior research fellow and as lecturer in C.L. Baid Metha College of Pharmacy. She joined our Company as the assistant manager – R&D (formulations) in 2002, and was appointed as Senior Vice President –R&D of our Company on January 1, 2020. She was paid a compensation of ₹5.63 million in Fiscal 2020.

Shilpi Sahay is the Deputy General Manager of Human Resources in our Company. She holds a bachelor's degree in science from the Fergusson College, University of Pune and an executive diploma in human resource management from XLRI, Jamshedpur. She has over 12 years of experience in the field of human resource management. Prior to joining our Company, she has worked at Strategist HR Advisory Services LLP, Matrix Laboratories Limited, Satyam Computer Services Ltd., and GVK Biosciences Private Limited. She joined our Company as an assistant general manager in the human resources department in 2014 and was promoted to Deputy General Manager of Human Resource with effect from April 1, 2018. She was paid a compensation of ₹2.96 million in Fiscal 2020.

Susheel Ogra is the Senior General Manager of Sales and Marketing in our Company. He holds a bachelor's degree in science from Maulana Azad Memorial College, University of Jammu. He has over 16 years of experience in the field of sales and marketing. Prior to joining our Company, he has worked at Sanzyme (P) Ltd, Terma Medicare India Private Ltd., Celon Laboratories Ltd., Troikaa Pharmaceuticals Ltd., Serum Institute of India Ltd., Serum International Ltd and Infar (India)

Limited. He joined our Company as the Deputy General Manager – Sales & Marketing in 2017, was elevated to the position of Head – Sales & Marketing in 2018 and was appointed as the Senior General Manager of Sales and Marketing on April 1, 2019. He was paid a compensation of ₹3.05 million in Fiscal 2020.

P. Sampath Kumar is the Company Secretary and Compliance Officer of our Company. He holds a bachelor's degree in law from Andhra University Faculty of Law and a post graduate diploma in business management from the Institute of Public Enterprise. He is an associate member of the Institute of Company Secretaries of India. He has over 16 years of experience in the field of corporate secretarial and finance. Prior to joining our Company, he has worked at Ahalada Rao & Associates, Tyche Peripheral Systems Ltd, Zen Technologies Limited and HSBC - Electronic Data Processing (India) Private Limited. He joined our Company as manager – corporate finance in December 2010 and was appointed as the Company Secretary on December 17, 2013 and the Compliance Officer on June 3, 2020. The remuneration to him was ₹3.46 million (excluding gratuity and leave encashment provision) in Fiscal 2020.

Relationship between our Key Managerial Personnel and Directors

None of the Key Managerial Personnel are either related to each other or to the Directors.

Shareholding of Key Managerial Personnel

None of our Key Managerial Personnel hold any Equity Shares in our Company. Further, some of our KMPs have been provided employee stock options under the ESOP Plan 2019 and the ESOP Scheme 2019. For further details, see "*Capital Structure*" on page 61.

Bonus or Profit Sharing Plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

Status of Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Interests of Key Managerial Personnel

Our Key Managerial Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Managerial Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in the Company, if any, and employee stock options held by them.

None of the Key Managerial Personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Except for our Key Managerial Personnel, K V G K Raju, who has been appointed as the Chief Technology Officer of our Company by the Continuing Shareholders, and our MD and CEO, Srinivas Sadu, who is deemed to have been appointed by our Promoter, Fosun Singapore, pursuant to the terms of the Continuing Shareholders SHA, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as member of senior management.

Changes in the Key Managerial Personnel

Except as disclosed below, there have been no changes in the Key Managerial Personnel in the last three years.

Name	Date of change	Reason for change
Ravi Shekhar Mitra	September 30, 2019	Appointment as chief financial officer
Yiran Peng	September 30, 2019	Resignation as chief financial officer
Ashish Adhikari	August 12, 2019	Appointment as Vice President – Operations
Srinivas Sadu	April 25, 2019	Change in designation from chief operating officer, and appointment as MD and CEO
Ravindranath Penmetsa	April 25, 2019	Resignation as managing director and chief executive officer
Yiran Peng	October 3, 2017	Appointment as chief financial officer
B. Narasimha Rao	October 3, 2017	Resignation as chief financial officer

Service Contracts with Directors and Key Managerial Personnel

Other than statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors, the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment. Further, none of our Directors have entered into a service contract with our Company pursuant to which they have been appointed as a director of our Company or their remuneration has been fixed in the preceding two years.

Further, pursuant to the Board resolution dated April 25, 2019 and the terms of the employment agreement dated July 28, 2016 entered into between our Company and Ravindranath Penmetsa, our former managing director and chief executive officer of our Company, the Board has approved payment of an amount of ₹200 million in two tranches of ₹100 million each in Fiscal 2020 and Fiscal 2021, in recognition of his contribution as managing director and chief executive officer of our Company.

Contingent and deferred compensation payable to our Directors and Key Managerial Personnel

There is no contingent or deferred compensation payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

Except as stated in this section, no non-salary amount or benefit has been paid or given to any of our Company's officers including Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Employees Stock Options

For details of the ESOP Scheme 2019 and the ESOP Plan 2019, see "*Capital Structure*" on page 61.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

Fosun Singapore and Shanghai Fosun Pharma are the Promoters of our Company.

As on the date of this Draft Red Herring Prospectus, Fosun Singapore holds 114,662,620 Equity Shares, including 10 Equity Shares each held by Fosun Industrial Co., Limited, Ample Up Limited, Regal Gesture Limited and Lustrous Star Limited for the benefit of Fosun Singapore, which aggregates to 74.00% of the pre-Offer, issued, subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure*" on page 61.

Shanghai Fosun Pharma holds 100% of the share capital of Fosun Industrial Co., Limited, which holds 100% of the share capital of Fosun Singapore. Shanghai Fosun Pharma does not directly hold any of the pre-Offer, issued, subscribed and paid-up Equity Share capital of our Company.

Details of our Promoters

Fosun Singapore

Corporate Information

Fosun Singapore was incorporated on July 13, 2016 under the laws of the Republic of Singapore as a private company limited by shares with the Accounting and Corporate Regulatory Authority, Republic of Singapore. The registered office of Fosun Singapore is located at 80 Robinson Road, #02-00, Singapore 068 898 and its unique entity number (UEN) is 201619223W.

Fosun Singapore is engaged in the business of general wholesale trade, including general import and export, and investment in the pharmaceutical sector.

Board of directors

The board of directors of Fosun Singapore comprises of the following:

1) Yao Fang, *director*;

2) Ravindranath Penmetsa, *director*; and

3) Lu Kee Hong, *director*

Shareholding pattern

Fosun Industrial Co., Limited holds 100% of the share capital of Fosun Singapore.

Shanghai Fosun Pharma indirectly, through Fosun Industrial Co., Limited, holds 100% of the share capital of Fosun Singapore. For details of the shareholding pattern of Shanghai Fosun Pharma and its board of directors, see " - *Details of our Promoters – Shanghai Fosun Pharma*" below.

Changes in control

There has been no change in the control of Fosun Singapore 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), company registration number and the address of the Accounting and Corporate Regulatory Authority, Singapore, with whom Fosun Singapore is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Shanghai Fosun Pharma

Corporate Information

Shanghai Fosun Pharma was incorporated on May 31, 1995 under the laws of PRC as a joint stock public limited company and its term of operations commenced on March 31, 1998 with the approval of the Shanghai Industrial and Commercial Administration Bureau. The shares of Shanghai Fosun Pharma are listed on the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited. The registered office of Shanghai Fosun Pharma is located at 9/F, 510 Caoyang Road, Putuo District, Shanghai, PRC, and its unified social credit code is 913100001330605412.

Shanghai Fosun Pharma is presently engaged in the business of biological and chemical products, reagent, services of biological technological development, biological technological transfer, biological technical consultation and biological technological service, production and sales of self-developed products, instruments and meters, electronic products, computer, chemical raw materials (excluding dangerous goods), consultation service; operation of export business of products produced by the enterprise and relevant technology, operation of import business of raw and auxiliary materials, mechanical equipments, instruments and meters, spare parts and relevant technology needed by production and scientific research of the enterprise.

Shanghai Fosun Pharma does not directly hold any Equity Shares in our Company. However, Shanghai Fosun Pharma holds 100% of the share capital of Fosun Industrial Co., Limited, which holds 100% of the share capital of Fosun Singapore.

Board of directors

The board of directors of Shanghai Fosun Pharma comprises of the following:

1) Chen Qiyu, *executive director and chairman*;

2) Yao Fang, *executive director*;

3) Wu Yifang, *executive director*;

4) Xu Xiaoliang, *non-executive director*;

5) Gong Ping, *non-executive director*;

6) Pan Donghui, *non-executive director*;

7) Jiang Xian, *independent non-executive director*;

8) Wong Tin Yau Kelvin, *independent non-executive director*;

9) Li Ling, *independent non-executive director*; and

10) Tang Guliang, *independent non-executive director*

Shareholding pattern

As on March 31, 2020, Shanghai Fosun High Technology (Group) Co., Ltd. ("**Fosun High Tech**") held 38.15% of the share capital of Shanghai Fosun Pharma and the remaining 61.85% of the share capital of Shanghai Fosun Pharma is held by public shareholders.

The holding company of Shanghai Fosun Pharma is Fosun High Tech. The ultimate holding company of Shanghai Fosun Pharma is Fosun International Holdings Limited, and the ultimate controlling shareholder of Shanghai Fosun Pharma is Guo Guangchang.

Changes in control

There has been no change in the control of Shanghai Fosun Pharma 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), unified social credit code and the address of the Shanghai Administration for Market Regulation, with whom Shanghai Fosun Pharma is registered, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

Change in control of our Company

Fosun Singapore and Shanghai Fosun Pharma are not the original promoters of our Company and acquired majority shareholding and control in and of our Company in October 2017 pursuant to the investments made in our Company in terms of the SPA, the Vetter SPA, the Subscription Agreement, the Existing Investors SHA and the Continuing Shareholders SHA in connection thereto. For further details, see "*History and Certain Corporate Matters*" and "*Capital Structure*" on pages 144 and 61, respectively.

Our Board has, pursuant to a resolution dated June 3, 2020, identified Fosun Singapore and Shanghai Fosun Pharma as the only Promoters of the Company.

Interests of our Promoters

Our Promoters are interested in our Company to the extent that they are promoters of our Company and to the extent of their shareholding in the Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For details, see "*Capital Structure"* on page 61. Our Promoter, Fosun Singapore is also interested to the extent of the Directors appointed by it on the Board. For details, see "*Our Management*" on page 150.

Our Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

No sum has been paid or agreed to be paid to 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 directors or promoters or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment of benefits to our Promoters or our Promoter Group

Except as disclosed in "*Other Financial Information - Related Party Transactions*" on page 239, no amount or benefit has been paid nor is intended to be paid or given to our Promoters or our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or Promoter Group.

Material guarantees given by our Promoters to third parties with respect to specified securities of our Company

Our Promoters have not given any material guarantees to third parties with respect to the specified securities of our Company.

Companies or firms with which our Promoters have disassociated in the last three years

Except as disclosed below, 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:

Details of disassociation of Shanghai Fosun Pharma

Name of the company or firm	Reason for and circumstances leading to disassociation	Date of disassociation
Foshan Chanyi Health Management Co., Ltd.	Cancellation of registration	February 29, 2020
Chengdu Lest Pharmaceutical Research Co., Ltd.	Share transferred	December 30, 2019
Qingdao Shanda Qilu Hospital Investment Management Co., Ltd.	Share transferred	December 27, 2019
Healthy Harmony Holdings,L.P	Share transferred	December 18, 2019
Hainan Kaiye Pharmaceutical Co., Ltd.	Share transferred	December 17, 2019
Guilin Pharma Afrique Francophone Co., Limited	Cancellation of registration	October 22, 2019
MeiStar Limited	Cancellation of registration	September 30, 2019
Henlix, Inc.	Cancellation of registration	August 31, 2019
Shanghai Fudi Medical Devices Co., Ltd.	Cancellation of registration	July 25, 2019
Yulin Guanghai Medical Investment Management Co., Ltd.	Cancellation of registration	June 14, 2019
Nanjing Kangboshi Information Technology Co., Ltd.	Cancellation of registration	June 3, 2019
Hainan Pengkang Pharmaceutical Co., Ltd.	Share transferred	May 22, 2019
Beijing Qiandade Dental Clinic Co., Ltd.	Share transferred	May 22, 2019
Shanghai Qiguang Investment Management Co., Ltd.	Cancellation of registration	January 25, 2019
Shandong Yixing Nursing Service Co., Ltd.	Cancellation of registration	January 17, 2019
Nanjing Junxing Medical Service Co., Ltd	Cancellation of registration	January 11, 2019
Anji Innovation Technology Co., Ltd.	Share transferred	December 10, 2018
Beijing Zhongqin Shidi Biotechnology Co., Ltd.	Share transferred	October 26, 2018
GongAn Forama Biochemical Co., Ltd.	Cancellation of registration	September 20, 2018
Heilongjiang Wanbang Pharmaceutical Co., Ltd.	Share transferred	April 11, 2018
Sinopharm Medical Management (Shanghai) Co., Ltd.	Cancellation of registration	March 13, 2018
Sichuan Noah Medical Technology Co., Ltd	Cancellation of registration	January 9, 2018
Shanghai Pharmacy Co., Ltd.	Share transferred	November 27, 2017
Phoenix County Jiangshan Technology Development Co., Ltd	Share transferred	October 24, 2017
Beijing Yongan Fosun Pharmaceutical Co., Ltd.	Share transferred	October 16, 2017

Our Promoter Group

Our Promoters do not have any natural persons who are part of our Promoter Group. Other than our Promoters, the following entities form part of our Promoter Group:

1. Alma Korea
2. Alma Laser Ltd (Israel)
3. Alma Lasers AT GmbH (Austria)
4. Alma Lasers Australia Pty Ltd
5. Alma Lasers GmbH (Germany)
6. Alma Lasers Inc. (US)
7. Alma Medical Hong Kong Limited
8. Alma Medical Private Limited (India)
9. Ambrx Biopharma Inc.
10. Amerigen Pharmaceuticals Ltd
11. Ample Up Limited
12. Anhui Jimin Cancer Hospital
13. Anhui Jimin Hospital Operation Management Co., Ltd
14. B&D Electromedical Ltd
15. B&O Pharm
16. Baishan Jinyuan Biotechnology Co., Ltd
17. Beas Technologies AB
18. Beijing Beiling Special Vehicle Co., Ltd
19. Beijing Fosun Pharmaceutical Technology Development Co., Ltd
20. Beijing Jianyou Chengye Automobile Sales Co., Ltd
21. Beijing Jinxiang Fosun Pharmaceuticals Joint Stock Co., Ltd
22. Beijing Weichi Xingda Automobile Sales Service Co., Ltd
23. Beijing Youyou Pharmaceutical Technology Co., Ltd
24. Beijing Zhuorui Clinic Co., Ltd
25. Beijing Zhuorui Medical Management Co., Ltd
26. Breas (shanghai) Medical Technology Co., Ltd
27. Breas Medical AB
28. Breas Medical GmbH
29. Breas Medical Holdings AB
30. Breas Medical Inc.
31. Breas Medical Ltd
32. Breas Medical S.R.L.
33. Breas Technologies (UK) Ltd
34. Breas Technologies AB

35. Changsha Zhongshengzhongjie Bio-Technology Co., Ltd
36. Chengdu List pharmaceutical Co., ltd
37. Chindex (Beijing) International Trade Co., Ltd
38. Chindex Asia Holdings
39. Chindex Export Limited
40. Chindex Hong Kong Limited
41. Chindex Medical Limited
42. Chongqing Carelife Pharmaceutical Co., Ltd.
43. Chongqing Fochon Pharmaceuticals Research Co., Ltd
44. Chongqing Haisiman Pharmaceutical Co., Ltd
45. Chongqing Kemei Yao Nano Biotechnology Development Co., Ltd
46. Chongqing Medical Research Institute Co., Ltd
47. Chongqing Pharmaceutical Research Institute Co., Ltd
48. Chongqing Xingrong Medical Beauty Hospital Management Co., Ltd
49. Chongqing Yao Pharmaceutical Company Limited
50. Chongqing Yaopharma Investment Co., Ltd
51. Dalian Aleph Biomedical Co., Ltd
52. EURO Technologies
53. Far-Eastern Casing Co., Ltd
54. Fochon Pharma, Inc.
55. Fomed Pharmaceuticals
56. Foshan Chan Medical & Pharmaceutical Development Co., Ltd
57. Foshan ChanAn Health Management Co., Ltd
58. Foshan Chancheng District Central Hospital Company Limited
59. Foshan Chancheng Pharmaceutical Co., Ltd
60. Foshan Chanchuang Health Management Co., Ltd
61. Foshan Chanxi Real Estate Development Co., Ltd
62. Foshan Chanyi Health Management Co., Ltd
63. Foshan Chanyi Medical Technology Development Co., Ltd
64. Foshan Chanyun Medical Clinic Co., Ltd
65. Foshan Shunde Lecong Supply and Marketing Group Shunketang Pharmaceutical Co., Ltd
66. Foshan Zhongdao Kangyang Consulting Co., Ltd
67. Fosumed Inc.
68. Fosun Group Finance Corporation Limited

69. Fosun Industrial Co., Limited
70. Fosun Lead (Shanghai) Healthcare Technology Co., Ltd
71. Fosun Medical Holdings AB
72. Fosun Orinove Pharma Tech Inc.
73. Fosun Pharma (Xuzhou) Co., Ltd
74. Fosun Pharma Sp. z. o. o.
75. Fosun Pharma USA Inc.
76. Fosun Pharmaceutical AG
77. Fosun Pharmaceutical Distribution (Jiangsu) Co., Limited.
78. Fosun Pharmaceutical Distribution Jiangsu Co., limited
79. Fuhong Kanghe Pharmaceutical Jiangsu Co., Ltd
80. Genefirst
81. Glycotest INC.
82. Guangzhou Changqianhe Investment Management Co., Ltd
83. Guangzhou Fosun Huanan Medical Investment Company Limited
84. Guangzhou Xingqianjian Investment Management LLP
85. Guangzhou Xinyao Investment Management Co., Ltd
86. Guilin Pharmaceutical (Ghana) Limited
87. Guilin Pharmaceutical Co., Ltd
88. Guilin Pharmaceuticals Tanzania limited
89. Gulin Pharmaceuticals Nigeria Limited
90. Hainan Fosun Medical Technology Co., Ltd
91. Harbin Rongteng Biotechnology Co., Ltd
92. Hebei Wanbang Fulin Pharmaceutical Co., Ltd
93. Hefei Yuntao Photoelectronics Technology Company Limited
94. Henan fengyouhui Industry Co., Ltd
95. Hengenix Biotech, Inc.
96. Henlius Europe Biotech Gmbh
97. Henlix Biotech Co., Ltd
98. Henlix, Inc.
99. Hermed Capital Health Care Fund L.P. (Hermed Capital)
100. Huai'an Xinghuai International Hospital Co., Ltd
101. Huaiyin Medical Devices Co., Ltd.
102. Huaiyin Medical Equipment Co., Ltd

103. Hubei Aoteao Biotechnology Co., Ltd
104. Hunan Dongting Pharmaceutical Co., Ltd
105. Hunan Dongting pharmaceutical trade import and Export Co., Ltd
106. Hunan Yao Pharmaceutical Co., Ltd
107. Intuitive Surgical-Fosun Medical Technology (Shanghai) Co., Ltd
108. Jiangsu Changxing Medical Technology Co., Ltd
109. Jiangsu Fosun Pharma Sales Co., Ltd
110. Jiangsu Huanghe Pharmaceutical Co.,ltd
111. Jiangsu StarHealth Technology Co., Ltd
112. Jiangsu Wanbang Biopharmaceutical Company Limited
113. Jiangsu Wanbang Cloud Health Technology Co., Ltd
114. Jiangsu Wanbang Cloud Pharmacy Chain Co., Ltd
115. Jiangsu Wanbang Medical Technology Co., Ltd
116. Jiangsu Wanbang Pharmaceutical Marketing and Distribution Co., Ltd
117. Jiangsu Wanrong Biomedical Technology Co., Ltd
118. Jiangsu wellbond Information Technology Co., Ltd
119. Jiangsu Xingnuo Pharmaceutical Technology Co., Ltd
120. Jiangsu Xingtong Health Technology Co., Ltd
121. Jiangxi Erye Pharmaceutical sales Co., Ltd
122. Jinan Qilu Clinical laboratory Co., Ltd
123. Jinzhou Aohong Biotechnology Co., Ltd.
124. Jinzhou Aohong Medical Company Limited
125. Jinzhou Aohong Pharmaceutical Company Limited
126. JiSikai pharmaceutical (Suzhou) Co, Ltd
127. Liaoning Children Pharmaceutical Co., Ltd
128. Liaoning Shinsun Pharmaceutical Co.,Ltd
129. Lustrous Star Limited
130. miacom Diagnostics GmbH
131. Nature's Sunshine (shanghai) Commodity Company Ltd
132. Nature's Sunshine HK., Ltd
133. Ningbo Jiangbei Xingjian Lanting Nursing Co., Ltd
134. Nova JV (US) LLC
135. Nova Medical Israel Ltd
136. Novelstar pharmaceuticals Inc.

137. Orinove. Inc.
138. Partners Innovation Fund II, L.P.
139. Qianda (TianJin) International Trading Co., Ltd
140. Qianda Export Medical Products Limited, LLC
141. Qianda Shanghai International Trading Co., Ltd
142. Regal Gesture Limited
143. Saladax Biomedical, Inc.
144. Shandong Erye Pharmaceutical Co., Ltd
145. Shandong Skyway Pharmaceutical Sales Co., Ltd
146. Shandong Wanban Sainuokang Biochemical Pharmaceutica Co. Ltd
147. Shanghai Bohao Medical Laboratory Co., Ltd
148. Shanghai Breas Medical Equipment Co., Ltd
149. Shanghai Chemo Wanbang Biopharma Co., Ltd
150. Shanghai Chuangde Medical Technology Co., Ltd
151. Shanghai Clone Biological High Technology Co., Ltd
152. Shanghai Fengyouhui Health Management Co., Ltd
153. Shanghai Fosun High Technology (Group) Co. Ltd
154. Shanghai Fosun Long March Medical Science Co., Ltd
155. Shanghai Fosun Medical (Group) Co., Ltd
156. Shanghai Fosun Medical System Co., Ltd
157. shanghai fosun new medicine research co., ltd
158. Shanghai Fosun Pharmaceutical Industrial Development Company Limited
159. Shanghai Fosun Pingyao Investment Management Co., Ltd
160. Shanghai Fosun Suntech Pharmaceutical Co., Ltd
161. Shanghai Fuer Medical Star Hospital Management Co., Ltd
162. Shanghai Fuji Medical Equipment Co., Ltd
163. Shanghai Fujian Equity Investment Fund Management Co., Ltd
164. Shanghai Fukun Pharmaceutical Technology Development Co., Ltd
165. Shanghai Fushang Huichuang Pharmaceutical Research Co., Ltd
166. Shanghai Fusheng Medical Technology Development Co., Ltd
167. Shanghai Fushun Medical Technology Development Co., Ltd
168. Shanghai Futuo Biotech Development Co., Ltd
169. Shanghai Futuo Zhida Medical Technology Co., Ltd
170. Shanghai Fuxing Chemical Medical Venture Capital Investment Co., Ltd

171. Shanghai Fuxuan Medical Technology Development Co., Ltd
172. Shanghai Hanying Biotechnology Co., Ltd
173. Shanghai Henlius Biological medicine Co., Ltd
174. Shanghai Henlius Biotech Company Limited
175. Shanghai Henlius Biotech, Inc.
176. Shanghai Hermed Equity Investment Fund Enterprise
177. Shanghai Innovation Technology Co., Ltd
178. Shanghai Jingshan Biotechnology Technology Co., Ltd
179. Shanghai Kelin transportation International Ltd
180. Shanghai Lilin Medical Management LLP
181. Shanghai Qiguang Investment Management Co., Ltd
182. Shanghai Qirong Investment Management Co., Ltd
183. Shanghai Transfusion Technology Co., Ltd
184. Shanghai XinChang Medical Equipment Co., Ltd
185. Shanghai Xingbai Biotechnology Co., Ltd
186. Shanghai Xingshuangjian Medical Investment Management Co., Ltd
187. Shanghai Xingxiao Medical Investment Management Co., Ltd
188. Shanghai Xingyou Medical Technology Co., Ltd
189. Shanghai Youyou Pharmaceutical Technology Co., Ltd
190. Shanghai zhaoHui Pharmaceutical Co., Ltd
191. Shanghai Zhishan Technology LLP
192. Shanghai Zhuorui Integrated Outpatient Limited Company
193. shenyang hongqi medical Co., Ltd
194. Shenyang Hongqi Pharmaceutical Co., Ltd
195. Shenyang Wanbang Tiansheng Biotechnology Co., Ltd
196. Shenzhen Hengsheng Hospital
197. Shenzhen Jinshi Medical Laboratory Co., Ltd
198. Shenzhen Qianda Medical Cosmetic Clinic
199. Shine Star (Hubei) Biological Engineering Company Limited
200. Sichuan Hexin pharmarceutical Co., Ltd
201. Sinopharm Industrial Investment Co., Ltd
202. Sinopharm Medical investment management Co., Ltd
203. Sisram Medical Ltd
204. Sovereign Medical Services, Inc.

205. Spire DME, LLC
206. Suqian Xinxing Rehabilitation Physical Examination Co., Ltd
207. Suqian Zhongwu Hospital Co., Ltd
208. Suzhou Erye Pharmaceutical Co., Ltd
209. Suzhou Keton Pharmaceutical Technology LLP
210. Suzhou Laishi Transfusion Equipment Co., Ltd
211. Suzhou Xingjian Rehabilitation hospital Co., Ltd
212. Taizhou Lizhedong Medical Investment Management Co., Ltd
213. Taizhou Zhedong Hospital Company Limited
214. Tianjin Pharmaceutical Group Co., Ltd
215. Tianjin Qidong Golden Elephant Pharmacy medicinal chain Co., Ltd
216. Tridem Distri
217. Tridem Pharma Kenya Limited
218. Tridem Pharma S.A.S
219. Tridem Promo
220. Wanxin Pharmaceutical Technology (Suzhou) Co., Ltd
221. Wenzhou Geriatric Hospital Limited Company
222. Wuhan Jihe Hospital Co., Ltd
223. Xizang Yao pharmaceutical science and Technology Consulting Co., Ltd
224. Xizang YaoPharma Co., Ltd
225. Xuzhou Fengyouhui Pharmaceutical Retail Co., Ltd
226. Xuzhou Wanbang Jinqiao Pharma Co., Ltd
227. Xuzhou Wanbang Pharmacy Co., Ltd
228. Xuzhou Xingchen Hospital Co., Ltd
229. Yaneng Bioscience (Shenzhen) Co. Ltd
230. Yantai Qilu Clinical laboratory Co., Ltd
231. Yinchuan Fengyouhui Internet Hospital Co., Ltd
232. Yueyang Guangji Hospital Company Limited
233. Zhuhai Chancheng Hospital Company Limited
234. Zhuhai Jiqun Logistics Warehousing Company Limited

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on June 18 2020, group companies of our Company include the companies (other than the Promoters) with which our Company has entered into related party transactions as per Ind AS 24 disclosed in the Restated Financial Information of our Company for the last three Fiscals, and other companies as considered material by our Board.

Our Board has, pursuant to a resolution dated June 18, 2020, taken note that the Company had related party transactions in the preceding three financial years, with companies which have been amalgamated with other companies as on the date of this Draft Red Herring Prospectus. In this instance, the resultant companies, namely, Gland Celsus Bio Chemicals Private Limited and Chongqing Carelife Pharmaceutical Co., Ltd. have been identified as the group companies. Further, the Company has also had related party transactions in the preceding three financial years, with Nicomac Clean Rooms Far East India Private Limited which was subsequently converted into a limited liability partnership. Such entity, being a limited liability partnership, is not a group company in terms of the SEBI ICDR Regulations, and accordingly, no disclosure has been made for such limited liability partnership.

Accordingly, based on the above, the following companies are our Group Companies as on the date of this Draft Red Herring Prospectus:

1. Chongqing Carelife Pharmaceutical Co., Ltd.;
2. Chongqing Pharmaceutical Research Institute Co., Ltd.;
3. Fosun Pharma Sp. z o.o.;
4. Fosun Pharma USA Inc.;
5. Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.;
6. Gland Celsus Bio Chemicals Private Limited*;
7. Gland Chemicals Private Limited*;
8. Guilin Pharmaceutical Co., Ltd.;
9. Jiangsu Wanbang Biopharmaceutical Company Limited;
10. Jinzhou Aohong Pharmaceuticals Co., Ltd.;
11. Moreschi Asia Doors Private Limited;
12. Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.; and
13. Shanghai Henlius Biotech, Inc.

**During the period between April 26, 2019 till June 2, 2019, these entities were not related parties as per Ind AS 24 as none of the Key Management Personnel of our Company were exercising significant influence over these entities during such period.*

Details of our top five Group Companies

Our top five Group companies in accordance with the SEBI ICDR Regulations, comprise Shanghai Henlius Biotech, Inc., which is listed on the Stock Exchange of Hong Kong Limited; and Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., Jiangsu Wanbang Biopharmaceutical Company Limited, Jinzhou Aohong Pharmaceuticals Co., Ltd., and Guilin Pharmaceutical Co., Ltd., which are our largest unlisted Group Companies based on turnover in the last audited financial year. Set out below are details of such top five Group Companies.

1. Shanghai Henlius Biotech, Inc. ("Shanghai Henlius")

Corporate Information

Shanghai Henlius is a limited liability company which was established on February 24, 2010 under the PRC company law, and converted into a joint stock limited company on September 26, 2016. The unified social credit code of Shanghai Henlius is 91310000550094566N. The H shares of Shanghai Henlius are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Nature of Activities

Shanghai Henlius is primarily engaged in the business of the research and development and manufacturing of mAb.

Financial Performance

The financial information derived from the audited consolidated financial statements of Shanghai Henlius for the financial years ended December 31, 2019, 2018 and 2017 is set forth below:

(In ¥ million, except per share data)

Particulars	Financial year ended December 31,		
	2019	2018	2017
Share capital	543.50	474.43	366.29
Reserves (excluding Revaluation Reserves) and non-controlling interest	3,456.92	1,328.12	(442.28)
Revenue	90.93	7.42	33.91
Profit/(Loss) after tax	(875.47)	(504.79)	(384.33)
Earnings (loss) per share to ordinary equity holders of the parent (basic and diluted)	(1.76)	(1.16)	(0.77)
Net asset value	4,000.42	1,802.55	(75.99)

Significant notes of auditors of Shanghai Henlius for the financial years ended December 31, 2019, 2018 and 2017

There are no significant notes by the auditors of Shanghai Henlius in relation to the financial statements specified for the financial years ended December 31, 2019, 2018 and 2017.

Share price information

The following table set forth details of the highest and lowest of the equity shares of Shanghai Henlius on the Stock Exchange of Hong Kong Limited during the preceding six months:

(In HK$)

Month	Monthly High	Monthly Low
January 2020	42.80	35.00
February 2020	45.00	35.90
March 2020	43.70	29.80
April 2020	48.50	34.80
May 2020	47.65	39.00
June 2020	56.35	39.50

Source: The Stock Exchange of Hong Kong Limited

The highest and lowest price of the shares of Shanghai Henlius during the preceding six months are HK$56.35 and HK$ 29.80 on the Stock Exchange of Hong Kong Limited.

2. Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd. ("Shanghai Fosun")

Corporate Information

Shanghai Fosun is a limited liability company which was incorporated on November 27, 2001 under the laws of PRC. The unified social credit code of Shanghai Fosun is 9131011573405149 91.

Nature of Activities

Shanghai Fosun is engaged in the business of investment in the pharmaceutical industry, development, technical consulting, technology transfer and technical services in the field of biotechnology, and of R&D in drugs, chemical reagents, and medical devices.

Financial Performance

The financial information derived from the audited consolidated financial statements of Shanghai Fosun for the financial years ended December 31, 2019, 2018 and 2017 is set forth below:

(In ¥ million, except per share data)

Particulars	Financial year ended December 31,		
	2019	2018	2017
Equity capital	2,253.31	2,253.31	2,253.31
Reserves (excluding revaluation reserves) and non-controlling interest	9,354.60	6,253.60	4,121.81
Revenue	18,524.58	15,958.15	12,093.24

Particulars	Financial year ended December 31,		
	2019	2018	2017
Profit/(loss) after tax	617.70	737.82	1,481.65
Earnings (loss) per share to ordinary equity holders of the parent (basic and diluted)	-	-	-
Net asset value	11,607.91	8,506.91	6,375.12

Significant notes of auditors of Shanghai Fosun for the financial years ended December 31, 2019, 2018 and 2017

There are no significant notes by the auditors of Shanghai Fosun in relation to the financial statements specified for the financial years ended December 31, 2019, 2018 and 2017.

3. Jiangsu Wanbang Biopharmaceutical Company Limited ("**Jiangsu Wanbang**")

Corporate Information

Jiangsu Wanbang is a limited liability company which was incorporated on December 30, 1998 under the laws of PRC. The unified social credit code of Jiangsu Wanbang is 91320300714139872F.

Nature of Activities

Jiangsu Wanbang is engaged in the business of manufacturing and sales of pharmaceutical products, lyophilized injections, small volume injections, tablets, capsules, biological products and API.

Financial Performance

The financial information derived from the audited consolidated financial statements of Jiangsu Wanbang for the financial years ended December 31, 2019, 2018 and 2017 is set forth below:

(In ¥ million, except per share data)

Particulars	Financial year ended December 31,		
	2019	2018	2017
Equity capital	440.46	440.46	440.46
Reserves (excluding revaluation reserves) and non-controlling interest	1,881.23	1,633.49	1,257.36
Revenue	5,955.62	4,000.24	3,144.47
Profit/(loss) after tax	623.30	439.51	338.93
Earnings (loss) per share to ordinary equity holders of the parent (basic and diluted)	-	-	-
Net asset value	2,321.69	2,073.95	1,697.82

Significant notes of auditors of Jiangsu Wanbang for the financial years ended December 31, 2019, 2018 and 2017

There are no significant notes by the auditors of Jiangsu Wanbang in relation to the financial statements specified for the financial years ended December 31, 2019, 2018 and 2017.

4. Jinzhou Aohong Pharmaceuticals Co., Ltd. ("Jinzhou Aohong")

Corporate Information

Jinzhou Aohong is a limited liability company which was incorporated on January 28, 2002 under the relevant laws of the PRC. The unified social credit code of Jinzhou Aohong is 91210700734224812X.

Nature of Activities

Jinzhou Aohong is engaged in the business of small volume parenterals (including non-terminal sterilization), hard capsules, tablets, gels (including ophthalmic and aseptic preparations), lyophilized powder injections, granules, API production, Chinese medicine extraction, medical technology development, technology transfer, technical consulting and services.

Financial Performance

The financial information derived from the audited consolidated financial statements of Jinzhou Aohong for financial years ended December 31, 2019, 2018 and 2017 is set forth below:

(In ¥ million, except per share data)

Particulars	Financial year ended December 31,		
	2019	2018	2017
Equity capital	510.00	107.88	107.88
Reserves (excluding revaluation reserves) and non-controlling interest	1,428.27	1,205.01	1,111.71
Revenue	2,208.24	1,795.64	1,669.40
Profit/(loss) after tax	253.14	253.37	400.17
Earnings (loss) per share to ordinary equity holders of the parent (basic and diluted)	-	-	-
Net asset value	1,938.27	1,312.89	1,219.59

Significant notes of auditors of Jinzhou Aohong for the financial years ended December 31, 2019, 2018 and 2017

There are no significant notes by the auditors of Jinzhou Aohong in relation to the financial statements specified for the financial years ended December 31, 2019, 2018 and 2017.

5. Guilin Pharmaceutical Co., Ltd. ("Guilin Pharmaceutical")

Corporate Information

Guilin Pharmaceutical is a limited liability company which was incorporated on June 22, 2001 under the laws of the PRC. The unified social credit code of Guilin Pharmaceutical is 91450300729742527H.

Nature of Activities

Guilin Pharmaceutical is engaged in the business of of researching, developing, manufacturing and marketing of various kinds of pharmaceutical products, including anti-malarial, and generic pharmaceuticals.

Financial Performance

The financial information derived from the audited consolidated financial statements of Guilin Pharmaceutical for the financial years ended December 31, 2019, 2018 and 2017 is set forth below:

(In ¥ million, except per share data)

Particulars	Financial year ended December 31,		
	2019	2018	2017
Equity capital	285.03	285.03	285.03
Reserves (excluding revaluation reserves) and non-controlling interest	591.98	728.02	689.37
Revenue	904.84	877.69	825.03
Profit/(loss) after tax	215.17	207.03	271.27
Earnings (loss) per share to ordinary equity holders of the parent (basic and diluted)	-	-	-
Net asset value	877.01	1,013.05	974.40

Significant notes of auditors of Guilin Pharmaceutical for the financial years ended December 31, 2019, 2018 and 2017

There are no significant notes by the auditors of Guilin Pharmaceutical in relation to the financial statements specified for the financial years ended December 31, 2019, 2018 and 2017.

Details of our other Group Companies

1. Chongqing Carelife Pharmaceutical Co., Ltd. ("Chongqing Carelife")

Corporate Information

Chongqing Carelife is a limited liability company which was incorporated on July 10, 2000 under the laws of the PRC. The unified social credit code of Chongqing Carelife is 9150011545041127XF.

Nature of Activities

Chongqing Carelife is engaged in the business of ingredient medicine production, research and development of Chinese herbal and western medicine, medicine product from the enterprise and its member enterprise, export business of chemical industrial product and relevant technologies, manufacturing and import business of ingredient and

supplementary material, mechanical devices, instrument, gauges, component and relevant technologies for research usage, manufacturing and selling of medicine intermediates, manufacturing and selling of refined chemicals.

2. Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd. ("Fosun Distribution")

Corporate Information

Fosun Distribution is a limited liability company which was incorporated on June 22, 2012 under the company laws of Hong Kong. The company registration number of Fosun Distribution is 1764120.

Nature of Activities

Fosun Distribution is engaged in the business of provision of sales promotion services and sale of pharmaceutical products and medical devices.

3. Gland Chemicals Private Limited ("**Gland Chemicals**")

Corporate Information

Gland Chemicals is a private limited company which was incorporated on March 15, 1974 under the Companies Act, 1956. The corporate identity number of Gland Chemicals is U24110TG1974PTC001694.

Nature of Activities

Gland Chemicals is engaged in the business of carrying out manufacturing of and dealing in chemicals, chemical compounds, glands, other organs for organo therapeutic uses, heparin and its salts, bacteriological, biological, chemical, industrial and other preparations, articles and compounds used for industrial and other purposes.

4. Chongqing Pharmaceutical Research Institute Co., Ltd. ("CPRI Chongqing")

Corporate Information

CPRI Chongqing is a limited liability company which was incorporated on December 17, 1991 under the laws of PRC. The unified social credit code of CPRI Chongqing is 915001087398156037.

Nature of Activities

CPRI Chongqing is engaged in the business of chemical synthetic drug R&D, early-stage development of NEC and genetic API, toxicological evaluation, and clinical trials.

5. Fosun Pharma USA Inc. ("**Fosun Pharma USA**")

Corporate Information

Fosun Pharma USA was incorporated on April 25, 2017 under the provisions of the General Corporation Law of the State of Delaware, United States of America. The unique identifier assigned to Fosun Pharma USA is 6391740.

Nature of Activities

Fosun Pharma USA is engaged in the business of researching, developing, marketing and distributing novel, branded, and generic pharmaceutical products and in vitro diagnostic products.

6. Moreschi Asia Doors Private Limited ("**Moreschi Asia Doors**")

Corporate Information

Moreschi Asia Doors is a private limited company which was incorporated on November 25, 2008 under the Companies Act, 1956. The corporate identity number of Moreschi Asia Doors is U74900TG2008PTC061939.

Nature of Activities

Moreschi Asia Doors is engaged in the business of designing, manufacturing, trading, installation, import, export, render services and dealing in all types of industrial doors relating to all types of industries, commercial doors and domestic doors.

7. Fosun Pharma Sp. z. o. o.

Corporate Information

Fosun Pharma Sp. z. o. o. is a limited liability company which was incorporated on October 20, 2018 under the laws of Republic of Poland. The company registration number of Fosun Pharma Sp. z. o. o. is 0000765358.

Nature of Activities

Fosun Pharma Sp. z. o. o. is engaged in the business of registration of pharmaceutical products within the countries in the European Union.

8. Gland Celsus Bio Chemicals Private Limited ("Gland Celsus")

Corporate Information

Gland Celsus is a private limited company which was incorporated on April 20, 2007 under Companies Act, 1956. The corporate identity number of Gland Celsus is U74110TG2007PTC053694.

Nature of Activities

Gland Celsus is engaged in the business of advisory services to organizations in the pharmaceutical, chemical and medical industry, real estate, infrastructure development, hospitality activities and investment into the group companies.

Loss making Group Companies

Details of the losses made by our Group Companies are as follows:

S. No.	Name of the Group Companies	Profit/(Loss) after tax		
		Financial year ended December 31, 2019	**Financial year ended December 31, 2018**	**Financial year ended December 31, 2017**
1.	Shanghai Henlius	(875.47)[#]	(504.79)[#]	(384.33)[#]
2.	Fosun Pharma USA	(10.60)[^]	(5.09)[^]	(1.20)[^]
3.	Fosun Pharma Sp. z. o. o.	(2.92)*	NA	NA
		Fiscal 2020	**Fiscal 2019**	**Fiscal 2018**
4.	Gland Celsus	(0.00)**	(0.22)**	(0.16)**

#Derived from the audited consolidated financial statements of Shanghai Henlius (in ¥ million)

^Derived from the unaudited standalone financial statements of Fosun Pharma USA (in US$ million), certified by the management of Fosun Pharma USA, USA as Fosun Pharma USA is not required to prepare audited financial statements in accordance with applicable law

**Derived from the unaudited standalone financial statements of Fosun Pharma Sp. z. o. o. (in zł million), certified by the management of Fosun Pharma Sp. z o.o., as Fosun Pharma Sp. z o.o. is not required to prepare audited financial statements in accordance with applicable laws. The reporting period is from October 30, 2018 to December 31, 2019*

***Derived from the audited standalone financial statements of Gland Celsus (in ₹ million)*

Nature and extent of interest of our Group Companies

a. ***In the promotion of our Company***

Our Group Companies do not have any interest in the promotion of our Company.

b. ***In the properties acquired by our Company in the preceding three years before filing the Draft Red Herring Prospectus or proposed to be acquired by our Company***

Except as disclosed below, our Group Companies are not interested in the properties acquired by our Company in the three years preceding the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of the Draft Red Herring Prospectus:

- On May 13, 2019, our Company purchased certain land parcels adjoining our manufacturing facility situated at Dundigal from Gland Celsus for a consideration of ₹21.44 million;
- On May 15, 2019, our Company purchased certain land parcels situated at Pashamylaram from Gland Celsus for a consideration of ₹49.17 million; and
- On May 15, 2019, our Company purchased land situated at Pashamylaram from Gland Chemicals for a consideration of ₹29.17 million.

c. ***In transactions for acquisition of land, construction of building and supply of machinery***

Other than as disclosed in *"- Nature and extent of interest of our Group Companies - In the properties acquired by our Company in the preceding three years before filing the Draft Red Herring Prospectus or proposed to be acquired by our Company*" on page 183, and except as disclosed below, our Group Companies are not interested in any transactions for the acquisition of land, construction of building or supply of machinery:

- On May 14, 2019, Gland Celsus purchased land and building situated at Fathenagar village, Hyderabad from our Company for a consideration of ₹118.10 million;
- On May 15, 2019, Gland Celsus purchased land and building situated at Bollaram village, Hyderabad from our Company for a consideration of ₹96.49 million; and
- On May 17, 2019, Gland Celsus purchased land situated at Srinagar village, Hyderabad from our Company for a consideration of ₹21.41 million

Defunct Group Companies

Our Group Companies are not defunct and no applications have been made to the relevant registrar of companies for striking off their names during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI.

Group Companies which are a sick industrial company or are under winding up/ insolvency proceedings

Our Group Companies do not fall under the definition of sick companies under the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 and are not under any winding up or insolvency proceedings.

Common Pursuits between our Group Companies and our Company

There are no common pursuits between any of our Group Companies and our Company.

Related Business Transactions with the Group Companies and significance on the financial performance of our Company

Other than the transactions disclosed in "- *Nature and extent of interest of our Group Companies*" and the section "*Other Financial Information- Related Party Transactions*" on pages 183 and 239, respectively, there are no other related business transactions with our Group Companies.

Business interest of our Group Companies in our Company

Except as disclosed in this section and "*Other Financial Information- Related Party Transactions*" on page 239, our Group Companies have no business interest in our Company.

Litigation

Our Group Companies are not party to any pending litigation which will have a material impact on our Company.

Other confirmations

Except Shanghai Henlius whose shares are listed on the Stock Exchange of Hong Kong Limited, none of our Group Companies are listed on any stock exchange.

Except as stated below, none of our Group Companies have made any public or rights issue of securities in the preceding three years.

- On September 25, 2019, Shanghai Henlius made a public issue aggregating HK$ 3.4 billion, at an issue price of HK$ 49.6 per share. The per share market price of Shanghai Henlius is HK$ 51.9 as on July 8, 2020.

None of our Group Companies have failed to meet the listing requirements or have failed to list on any recognised stock exchange in India or abroad.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act, 2013. The dividend distribution policy of our Company was approved and adopted by our Board on February 11, 2020. The quantum of dividend to be distributed, if any, will depend on a number of factors, including profit earned during the current financial year, overall financial conditions, cost of raising funds from alternative sources, money market conditions, expansion plans and macro-economic conditions.

Our Company has not declared dividends on the Equity Shares during the current Fiscal and the last three Fiscals.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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Auditors' Report on the Restated Ind AS Summary Statements of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the related Restated Ind AS Summary Statements of profits and losses (including other comprehensive income), Cash flows Statements and Statements of Changes in Equity for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 of Gland Pharma Limited (collectively, the "Restated Ind AS Summary Statements")

To
The Board of Directors
Gland Pharma Limited
Sy No. 143 to 148, 150 & 151
Near Gandimaisamma X Roads,
D.P. Pally, Dundigal, Dundigal-Gandimaisamma Mandal,
Medchal – Malkajgiri District, Hyderabad,
Telangana – 500043

Dear Sirs:

1. We, S.R. Batliboi & Associated LLP ("we", "us" or "SRBA") have examined the attached Restated Ind AS Summary Statements of Gland Pharma Limited (the "Company") as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Re. 1 each of the Company and offer for sale by the selling shareholders of the Company (collectively, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a) Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act");
   b) Relevant provisions of 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"), (the "Guidance Note").

Management's Responsibility for the Restated Ind AS Summary Statements

2. The preparation of the Restated Ind AS Summary Statements, which are to be included in the DRHP is the responsibility of the Management of the Company. The Restated Ind AS Summary Statements have been prepared by the management of the Company on the basis of preparation stated in paragraph 2 of Annexure V to the Restated Ind AS Summary Statements. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and Guidance Note.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Summary Statements taking into consideration:

   a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated May 13, 2020, requesting us to carry out the assignment, in connection with the proposed Offering of the Company;
   b) The Guidance Note. The Guidance Note also requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Ind AS Summary Statements; 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 and the ICDR Regulations in connection with the Offering.

4. The Company proposes to make an initial public offer of equity shares of Re. 1 each and offer for sale by selling shareholders of the Company at such premium arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Company's Board of Directors.

Restated Ind AS Summary Statements as per audited Ind AS financial statements

5. These Restated Ind AS Summary Statements have been compiled by the management of the Company from audited financial statements of the Company as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 which were prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meetings held on June 03, 2020, August 29, 2019 and August 21, 2018 respectively;

6. For the purpose of our examination, we have relied on the auditors' reports issued by us, dated June 03, 2020, August 29, 2019 and August 21, 2018 on the financial statements of the Company as at and for each of the years ended March 31, 2020, March 31, 2019 and March 31, 2018 as referred in Paragraph 5 above.

7. Based on our examination and according to the information and explanations given to us for the respective years, we report that Restated Ind AS Summary Statements:

    a) have been prepared after incorporating adjustments for the changes in accounting policies retrospectively in the financial years ended March 31, 2019 and March 31, 2018 to reflect the same accounting treatment as per the accounting policies as at and for the year ended March 31, 2020;
    b) does not contain any qualifications requiring adjustments. However, those qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016, as applicable, on the financial statements for the years ended March 31, 2020, 2019 and 2018 which do not require any corrective adjustment in the Restated Ind AS Summary Statements have been disclosed in Part C of Annexure VI to the Restated Ind AS Summary Statements; and
    c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2020. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Company as of any date or for any period subsequent to March 31, 2020.

9. The Restated Ind AS Summary Statements do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.

10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited and BSE Limited in connection with the proposed Offering. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Navneet Rai Kabra
Partner
Membership No: 102328
UDIN: 20102328AAAABV6095

Place: Hyderabad
Date: June 18, 2020

Gland Pharma Limited
CIN: U24239TG1978PLC002276
Annexure I
Restated Ind AS Summary Statement of assets and liabilities
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Annexure VII Note	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Assets				
Non-current assets				
Property, plant and equipment	1	9,671.49	9,287.43	8,426.41
Capital work in progress	1	1,884.66	1,231.62	1,988.82
Right-of-use assets	2	9.51	9.66	11.27
Financial assets				
Other financial assets	4	69.15	64.26	60.88
Tax assets (net)	6	14.51	189.59	198.36
Other non-current assets	7	748.17	878.37	1,287.31
		12,397.49	11,660.93	11,973.05
Current assets				
Inventories	8	7,562.79	9,118.76	5,128.30
Financial assets				
Loans	3	4.96	2.75	3.11
Trade receivables	5	6,017.85	5,061.00	4,752.10
Cash and cash equivalents	9	1,694.97	2,364.02	3,728.41
Bank balances other than cash and cash equivalents	10	11,556.96	5,169.47	2,979.98
Other financial assets	4	151.01	70.99	33.93
Tax assets (net)	6	95.35	-	-
Other current assets	7	1,379.01	1,787.57	695.80
		28,462.90	23,574.56	17,321.63
Total assets		40,860.39	35,235.49	29,294.68
Equity and Liabilities				
Equity				
Equity share capital	11	154.95	154.95	154.95
Other equity	12	36,307.40	28,465.04	23,948.64
		36,462.35	28,619.99	24,103.59
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	13	40.69	49.60	54.89
Other financial liabilities	15	26.58	162.52	387.17
Deferred tax liabilities (net)	16	740.54	1,075.69	957.14
		807.81	1,287.81	1,399.20
Current liabilities				
Financial liabilities				
Trade payables	14			
Total outstanding dues of micro, small and medium enterprises		33.15	14.28	23.43
Total outstanding dues of creditors other than micro, small and medium enterprises		2,457.79	4,447.70	2,894.68
Other financial liabilities	15	303.79	219.82	149.17
Provisions	17	174.79	28.81	21.09
Current tax liabilities (net)	18	107.23	110.04	129.00
Other current liabilities	19	513.48	507.04	574.52
		3,590.23	5,327.69	3,791.89
Total equity and liabilities		40,860.39	35,235.49	29,294.68

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

As per our report of even date attached

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: June 18, 2020

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
Chief Executive Officer
DIN: 06900659

Moheb Ali Mohammed
Independent Director
DIN: 00699254

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: June 18, 2020

Gland Pharma Limited
CIN: U24239TG1978PLC002276
Annexure II
Restated Ind AS Summary Statement of profit and loss
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Annexure VII Note	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Income				
Revenue from operations	20	26,332.40	20,442.03	16,228.93
Other income	21	1,391.68	855.64	487.89
Total income (I)		27,724.08	21,297.67	16,716.82
Expenses				
Cost of materials consumed	22	10,902.54	9,548.91	7,182.98
Purchase of traded goods		186.73	162.84	91.22
Increase in inventories of finished goods, stock-in-trade and work-in-progress	23	(69.04)	(1,141.54)	(666.66)
Excise duty on sale of goods		-	-	29.52
Power and fuel		785.00	740.34	603.52
Employee benefits expense	24	2,776.62	2,229.49	1,790.80
Depreciation expense	27	945.87	821.20	783.68
Finance expense	26	71.82	36.69	42.42
Other expenses	25	2,195.88	1,836.96	1,844.69
Total expenses (II)		17,795.42	14,234.89	11,702.17
Restated profit before exceptional items and tax (III)= (I-II)		9,928.66	7,062.78	5,014.65
Exceptional items (IV)				
Employee separation compensation	44	-	200.00	-
Restated profit before tax (V)= (III-IV)		9,928.66	6,862.78	5,014.65
Tax expenses	28			
Current tax		2,513.97	2,212.26	1,694.59
Deferred tax (credit) / charge (refer note 46 to Annexure VII)		(318.21)	119.71	106.01
Taxes for earlier years		4.32	12.25	3.54
Total tax expense (VI)		2,200.08	2,344.22	1,804.14
Restated profit for the year (VII)=(V-VI)		7,728.58	4,518.56	3,210.51
Other comprehensive income (OCI)				
Other comprehensive income not to be reclassified to profit or loss in subsequent years:				
Re-measurement loss on employee defined benefit plans		69.75	3.32	7.69
Deferred tax credit on remeasurement of defined benefit plans		(17.55)	(1.16)	(2.66)
Restated total other comprehensive loss for the year , net of tax (VIII)		52.20	2.16	5.03
Restated total comprehensive income for the year, net of tax (IX)=(VII-VIII)		7,676.38	4,516.40	3,205.48
Restated earnings per share:	29			
Basic, computed on the basis of profit attributable to equity holders		49.88	29.16	20.72
Diluted, computed on the basis of profit attributable to equity holders		49.88	29.16	20.72

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

As per our report of even date attached

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: June 18, 2020

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
Chief Executive Officer
DIN: 06900659

Moheb Ali Mohammed
Independent Director
DIN: 00699254

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: June 18, 2020

Gland Pharma Limited
CIN: U24239TG1978PLC002276
Annexure III
Restated Ind AS Summary Statement of changes in equity
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

a. Equity share capital

Equity shares of Rs. 10 each, issued, subscribed and fully paid	No. of shares	Amount
As at April 01, 2017	15,494,949	154.95
Less: Shares bought back during the year	(942,500)	(9.43)
Add: Conversion of compulsorily convertible non cumulative preference shares (CCPS)	942,500	9.43
As at March 31, 2018	15,494,949	154.95
Add: Issued during the year	-	-
As at March 31, 2019	15,494,949	154.95
Add: Issued during the year	-	-
Increase in shares on account of subdivision (refer note 11(h) to Annexure VII)	139,454,541	-
As at March 31, 2020 [1]	154,949,490	154.95

Note:
[1] Number of equity shares as at March 31, 2020 - Issued, subscribed and fully paid value of Re. 1 each on account of subdivision of shares.

b. Other equity

	Equity component of convertible preference shares	Reserves and surplus					Other comprehensive income	Total
		Securities premium	Capital redemption reserve	General reserve	Share based payment reserve	Retained earnings	Re-measurement loss on employee defined benefit plans (net of tax)	
As at April 01, 2017	-	5,149.72	24.01	40.65	-	15,538.61	(9.83)	20,743.16
Profit for the year	-	-	-	-	-	3,210.51	-	3,210.51
Other comprehensive income	-	-	-	-	-	-	(5.03)	(5.03)
Issue of share capital	9.43	3,976.81	-	-	-	-	-	3,986.24
Amount utilised towards buy back of shares	-	(3,236.59)	-	-	-	-	-	(3,236.59)
Tax on buy back of shares	-	-	-	-	-	(740.22)	-	(740.22)
Conversion of shares	(9.43)	-	-	-	-	-	-	(9.43)
Amount transferred from general reserve to capital redemption reserve on account of buy back	-	-	9.43	(9.43)	-	-	-	-
As at March 31, 2018	-	5,889.94	33.44	31.22	-	18,008.90	(14.86)	23,948.64
Profit for the year	-	-	-	-	-	4,518.56	-	4,518.56
Other comprehensive income	-	-	-	-	-	-	(2.16)	(2.16)
As at March 31, 2019	-	5,889.94	33.44	31.22	-	22,527.46	(17.02)	28,465.04
Ind AS 116 transition adjustment(refer Annexure VI, part B)	-	-	-	-	-	1.14	-	1.14
As at April 01, 2019	-	5,889.94	33.44	31.22	-	22,528.60	(17.02)	28,466.18
Profit for the year	-	-	-	-	-	7,728.58	-	7,728.58
Other comprehensive income	-	-	-	-	-	-	(52.20)	(52.20)
Employee stock option compensation expenses (refer note 31 to Annexure VII)	-	-	-	-	164.84	-	-	164.84
As at March 31, 2020	-	5,889.94	33.44	31.22	164.84	30,257.18	(69.22)	36,307.40

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

As per our report of even date attached

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: June 18, 2020

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
Chief Executive Officer
DIN: 06900659

Moheb Ali Mohammed
Independent Director

DIN: 00699254

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: June 18, 2020

Gland Pharma Limited
CIN: U24239TG1978PLC002276
Annexure IV
Restated Ind AS Summary Statement of cash flows
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities			
Restated profit before tax	9,928.66	6,862.78	5,014.65
Adjustments to reconcile profit before tax to net cash flows			
Depreciation expense	945.87	821.20	783.68
Allowance for credit losses	43.15	10.45	16.22
Bad debts written off	16.16	94.72	12.82
Interest expense	61.50	25.08	31.31
Finance charges on leases	1.01	1.09	1.17
Unrealized foreign exchange (gain) / loss	(222.26)	45.36	(61.10)
Profit on disposal of property, plant and equipment	(173.93)	(0.85)	(0.21)
Interest income	(514.86)	(433.13)	(271.68)
Employee stock option compensation expense	164.84	-	-
Employee separation compensation	-	200.00	-
Operating cash profit before working capital changes	10,250.14	7,626.70	5,526.86
Movements in working capital:			
Increase in trade receivables	(805.17)	(458.96)	(528.59)
(Increase) / decrease in inventories	1,555.97	(3,990.46)	(1,341.11)
Increase in loans, deposits and others	(6.73)	(7.04)	(3.89)
(Increase) / decrease in other assets	520.57	(296.69)	(1,118.11)
Increase / (decrease) in trade payables and other financial liabilities	(2,146.73)	1,130.12	1,109.21
Increase / (decrease) in provisions and other liabilities	82.67	83.58	(51.84)
Cash generated from operations	9,450.72	4,087.25	3,592.53
Income tax paid (net of refunds)	(2,441.37)	(2,234.70)	(1,571.42)
Net cash flow from operating activities (A)	7,009.35	1,852.55	2,021.11
Cash flows from investing activities			
Purchase of property, plant and equipment	(1,946.62)	(1,357.44)	(851.75)
Proceeds from disposal of property, plant and equipment	238.86	5.45	1.60
Investment in bank deposits (net)	(6,387.49)	(2,187.45)	(2,982.02)
Interest received	434.47	398.05	243.80
Net cash flow used in investing activities (B)	(7,660.78)	(3,141.39)	(3,588.37)
Cash flows from financing activities			
Repayment of long-term borrowings	(5.30)	(4.25)	(4.61)
Payment of interest portion of lease liabilities	(1.01)	(1.09)	(1.17)
Payment towards principal portion of lease liabilities	(0.90)	(0.82)	(0.64)
Proceeds from issue of shares	-	-	3,976.81
Buy back of shares (including tax thereon)	-	-	(3,976.81)
Interest paid	(61.50)	(25.08)	(31.31)
Net cash flow used in financing activities (C)	(68.71)	(31.24)	(37.73)
Net decrease in cash and cash equivalents (A+B+C)	(720.14)	(1,320.08)	(1,604.99)
Effect of exchange differences on cash and cash equivalents held in foreign currency	51.09	(44.31)	2.63
Cash and cash equivalents at the beginning of the year	2,364.02	3,728.41	5,330.77
Cash and cash equivalents at the end of the year	1,694.97	2,364.02	3,728.41
Components of cash and cash equivalents			
Cash on hand	0.67	0.29	0.41
With banks in current account	1,394.70	1,600.77	1,396.03
With banks in deposit account	299.60	762.96	2,331.97
Total cash and cash equivalents (refer note 9 to Annexure VII)	1,694.97	2,364.02	3,728.41

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

As per our report of even date attached

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: June 18, 2020

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
Chief Executive Officer
DIN: 06900659

Moheb Ali Mohammed
Independent Director

DIN: 00699254

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: June 18, 2020

1. Corporate information

Gland Pharma Limited ('the Company') is a public limited Company domiciled in India and is incorporated on March 20, 1978 under the provisions of the Companies Act applicable in India and is primarily engaged in manufacturing injectable formulations. The registered office of the Company is located at Sy No. 143-148,150,151, Near Gandimaisamma X Roads, D.P.Pally, Dundigal, Dundigal - Gandimaisamma Mandal, Hyderabad, Medchal – Malkajgiri district, Telangana, 500043.

The Restated Ind AS Summary Statements were approved for issue by the Board of directors on June 18, 2020.

2. Basis of preparation

The Restated Ind AS summary statement of assets and liabilities as at March 31, 2020, March 31, 2019 and March 31, 2018 and the Restated Ind AS summary statement of profit and loss, Restated Ind AS summary statement of changes in equity and Restated Ind AS summary statement of cash flows for year ended March 31, 2020, March 31, 2019 and March 31, 2018 (hereinafter collectively referred to as "Restated Ind AS Summary Statements of Gland Pharma Limited") have been prepared specifically for inclusion in the Draft Red Herring Prospectus ("DRHP") to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed initial public offer of equity shares of Re. 1 each of the Company and offer for sale by the selling shareholders of the Company (collectively, the "Offering"). The Restated Ind AS Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

a. Sub-section (1) of Section 26 of Chapter III of the Companies Act 2013 (the "Act") and
b. Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the SEBI ICDR Regulations") issued by the Securities and Exchange Board of India ('SEBI') on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
c. The Guidance Note on Report in company prospectus (Revised 2019) issued by the ICAI (referred to as the Guidance Note).

The Restated Ind AS Summary Statements have been compiled from the audited annual financial statements as at and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018 which were prepared by the Company in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended.

The Restated Ind AS Summary Statements have been prepared on a historical cost convention, except for certain financial assets, financial liabilities and share based payments which are measured at fair value.

The Restated Ind AS Summary Statements are presented in Indian Rupees "INR" and all values are stated as INR million, except when otherwise indicated.

2.1 Summary of significant accounting policies

(a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle

- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) Foreign currencies

The Restated Ind AS Summary Statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Ind AS Summary Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Restated Ind AS Summary Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's chief financial officer determines the appropriate valuation techniques and inputs for fair value measurements. 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. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(d) Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Sale of products
Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer and is net of trade discounts, sales returns and sales tax and goods & service tax (GST), where applicable, and the additional amount of profit share in case of exclusive arrangement, is recognized based on the terms of the agreement entered into with the customers, in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on dispatch to the customer.

Sale of services
Revenue from sale of dossiers / licenses / services is recognized in accordance with the terms of the relevant agreements and is net of goods and service tax (GST), where applicable as accepted and agreed with the customers.

These arrangements typically consist of an initial up-front payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front amounts received in connection with these agreements are deferred and recognised over the period in which the Company has pending performance obligations. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or the amount is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Interest income
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Export benefits, incentives and licenses
Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the period of export and are included in other operating revenue.

(e) Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which

applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses
Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(f) Property, plant and equipment
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation
Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which are in line with schedule II of the Act. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

Asset	Useful lives estimated by the management (years)
Buildings	30
Tube wells	5
Plant and Equipment	8-20
Laboratory Equipment	10
Office Equipment	5
Furniture and fixtures	5-10
Vehicles	8-10
Computers	3-6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

(g) Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

For preparation of Restated Ind AS Summary Statements, the Company has adopted Ind AS 116 using modified retrospective approach. The Company also elected to use the transitional practical expedient to not reassess whether a contract is, or contains a lease at April 01, 2017. The Company

also applied the practical expedient wherein it applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Refer to the accounting policies in section (i) Impairment of non-financial assets.

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Company applies the short-term lease recognition exemption to its short-term leases (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss on straight line basis.

(h) Inventories
Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First Out (FIFO) basis.
Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be

incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.
- Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores and spares and consumables are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(i) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(j) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when

the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets

Contingent assets are not recognised in the Restated Ind AS Summary Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

(k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire liability in respect of leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond 12 months after the reporting date.

(l) Share - based payments

Some employees (including senior executives) of the Company receive remuneration which includes share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and / or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and / or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(m) Financial instruments

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

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

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

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debts Instrument at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. 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 finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debts Instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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 group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debts Instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments:

All equity investments in scope of Ind AS 109 are measured at fair value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) the rights to receive cash flows from the asset have expired, or

b) the Company has transferred its rights to receive cash flows from the asset, and

   i. the Company has transferred substantially all the risks and rewards of the asset, or

   ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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 the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 .

The Company recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement

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

i. Financial liabilities at fair value through profit or loss
ii. Financial liability at amortised cost

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

(n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(o) Research and Development

Revenue expenditure on research and development is charged to statement of profit and loss in the period in which it is incurred. Property, plant and equipment purchased for research and

development is added to property, plant and equipment and depreciated in accordance with the policies of the Company.

(p) Earnings Per Share

Basic earnings per share are 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 amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as chief operating decision maker.

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Gland Pharma Limited
CIN: U24239TG1978PLC002276
(All amounts in Indian Rupees millions, except share data and where otherwise stated)
Annexure VI

Part A : Statement of restatement adjustments to Ind AS financial statements
The summary of results of restatement made in the audited financial statements for the respective year and its impact on profit of the Company is follows:-

	Note no.	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit after tax (as per audited financial statements)		7,728.58	4,519.07	3,211.14
Restatement adjustments				
Impact of Ind AS 116	1			
(Increase) / decrease in total expenses				
Depreciation of right-of-use assets		-	(1.61)	(1.60)
Finance cost on lease liability		-	(1.09)	(1.17)
other expenses		-	1.91	1.81
Restated profit before tax		7,728.58	4,518.28	3,210.18
Tax adjustments	2	-	0.28	0.33
Restated profit after tax		7,728.58	4,518.56	3,210.51

1. Impact of Ind AS 116 : Leases

As per para C8 of Appendix C to Ind AS 116, if a lessee elects to apply this Standard in accordance with paragraph C5(b), the lessee shall:

(a) recognise a lease liability at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall measure that lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application.

(b) recognise a right-of-use asset at the date of initial application for leases previously classified as an operating lease applying Ind AS 17. The lessee shall choose, on a lease-by-lease basis, to measure that right-of-use asset at either:
(i) its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or Ind AS 116, Leases
(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

(c) apply Ind AS 36, Impairment of Assets, to right-of-use assets at the date of initial application, unless the lessee applies the practical expedient in paragraph C10(b).

For the purpose of preparation of Restated Ind AS Summary Statements, management has evaluated the impact of change in accounting policies on adoption of Ind AS 116 for each of the year ended March 31, 2019 and March 31, 2018. Hence in these Restated Ind AS Summary Statements, Ind AS 116 has been adopted with effect from April 01, 2017 following modified retrospective method (i.e. on April 01, 2017 the Company has measured the lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate and a right-of-use asset at an amount equal to the lease liability). Impact of adoption of Ind AS 116 has been adjusted in the respective years for the purpose of restatement.

2. Accounting for taxes on income

Deferred tax has been created on temporary difference arising on recognition and measurement of right-of-use asset and lease liability.

3. Impact of Ind AS 115

The Company has adopted Ind AS 115 : Revenue from contracts with customers effective April 01, 2018. For the purpose of preparation of Restated Ind AS Summary Statements, management has evaluated the impact of change in accounting policies required due to adoption of Ind AS 115 for the year ended March 31, 2018. No material adjustments were identified for the purpose of restatement.

Statement showing impact of restatement adjustments on balance sheet

	Foot notes	As at March 31, 2019			As at March 31, 2018			As at 01 April 2017		
		As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements
Assets										
Non-current assets										
Right-of-use assets	A	-	9.66	9.66	-	11.27	11.27	-	12.87	12.87
Equity										
Other equity	C	28,466.18	1.14	28,465.04	23,949.27	0.63	23,948.64	20,743.16	-	20,743.16

	Foot notes	As at March 31, 2019			As at March 31, 2018			As at 01 April 2017		
		As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements
Non-current liabilities										
Lease liabilities	B	-	10.51	10.51	-	11.41	11.41	-	11.84	11.84
Deferred tax liabilities	G	1,076.30	(0.61)	1,075.69	957.47	(0.33)	957.14	853.79	-	853.79
Current liabilities										
Lease liabilities	B	-	0.90	0.90	-	0.82	0.82	-	0.64	0.64

Statement showing impact of restatement adjustments on statement of profit and loss

	Foot notes	For the year ended March 31, 2019			For the year ended March 31, 2018		
		As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements
Income							
Revenue from operations		20,442.03	-	20,442.03	16,228.93	-	16,228.93
Other income		855.64	-	855.64	487.89	-	487.89
Total income		21,297.67	-	21,297.67	16,716.82	-	16,716.82
Expenses							
Cost of materials consumed		9,548.91	-	9,548.91	7,182.98	-	7,182.98
Purchase of traded goods		162.84	-	162.84	91.22	-	91.22
Increase in inventories of finished goods, stock-in-trade and work-in-progress		(1,141.54)	-	(1,141.54)	(666.66)	-	(666.66)
Excise duty on sale of goods		-	-	-	29.52	-	29.52
Power and fuel		740.34	-	740.34	603.52	-	603.52
Employee benefits expense		2,229.49	-	2,229.49	1,790.80	-	1,790.80
Depreciation expense	D	819.59	1.61	821.20	782.08	1.60	783.68
Finance cost	E	35.60	1.09	36.69	41.25	1.17	42.42
Other expenses	F	1,838.87	(1.91)	1,836.96	1,846.50	(1.81)	1,844.69
Total expenses (II)		14,234.10	0.79	14,234.89	11,701.21	0.96	11,702.17
Profit before exceptional items and tax (III)= (I-II)		7,063.57	(0.79)	7,062.78	5,015.61	(0.96)	5,014.65
Exceptional items (IV)							
Employee separation compensation		200.00	-	200.00	-	-	-
Profit before tax (V)= (III-IV)		6,863.57	(0.79)	6,862.78	5,015.61	(0.96)	5,014.65
Tax expenses							
Current tax		2,212.26	-	2,212.26	1,694.59	-	1,694.59
Deferred tax charge	G	119.99	(0.28)	119.71	106.34	(0.33)	106.01
Taxes for earlier years		12.25	-	12.25	3.54	-	3.54
Total tax expense (VI)		2,344.50	(0.28)	2,344.22	1,804.47	(0.33)	1,804.14
Profit for the year (VII)=(V-VI)		4,519.07	(0.51)	4,518.56	3,211.14	(0.63)	3,210.51
Other comprehensive income (OCI)							
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:							
Re-measurement loss on employee defined benefit plans		3.32	-	3.32	7.69	-	7.69

	Foot notes	For the year ended March 31, 2019			For the year ended March 31, 2018		
		As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements
Deferred tax income on remeasurement of defined benefit plans		(1.16)	-	(1.16)	(2.66)	-	(2.66)
Total other comprehensive loss for the year, net of tax (VIII)		2.16	-	2.16	5.03	-	5.03
Total comprehensive income for the year, net of tax (IX)=(VII-VIII)		4,516.91	(0.51)	4,516.40	3,206.11	(0.63)	3,205.48

Statement showing impact of restatement adjustments on statement of cash flows

	For the year ended March 31, 2019			For the year ended March 31, 2018		
	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements	As per audited Ind AS financial statements	Restatement adjustments	As per Restated Ind AS Summary Statements
Cash flows from operating activities	1,850.64	1.91	1,852.55	2,019.30	1.81	2,021.11
Cash flows from financing activities	(29.33)	(1.91)	(31.24)	(35.92)	(1.81)	(37.73)

Footnotes to Impact of Adjustments

(A) Right-of-use asset are recognised and presented separately in the restated Ind AS Summary Statement of assets and liabilities.

(B) Lease liabilities are recognised in accordance with Ind AS 116 and shown as financial liabilities in the restated Ind AS Summary Statement of assets and liabilities.

(C) Retained Earnings has decreased due to impact of Ind AS 116 adjustments.

(D) It represents depreciation on Right-of-use assets, pertaining to lease arrangements recognised pursuant to implementation of Ind AS 116. The Right-of-use assets are depreciated over the 'lease term' as defined under Ind AS 116 or economic life, whichever is lower.

(E) It represents interest element recognised on lease liabilities pursuant to implementation of Ind AS 116. Interest is measured using incremental borrowing rate.

(F) Lease rentals pertaining to lease arrangements accounted in accordance to erstwhile Ind AS 17, now reversed.

(G) Deferred tax on temporary difference arising on recognition and measurement of right-of-use asset and lease liability.

Part B : Reconciliation of total equity as per audited financial statements with total equity as per Restated Ind AS Summary Statements as at March 31, 2019

The Company has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 01, 2019 for transition to Ind AS 116, while preparing the Restated Ind AS Summary Statements for each of the year ended March 31, 2020, March 31, 2019 and March 31, 2018. As specified in the Guidance Note, the equity balance computed under Restated Ind AS summary statements for the year ended March 31, 2019 and equity balance computed on transition (using modified retrospective approach) to Ind AS 116 on April 01, 2019, differs due to restatement adjustments made for each of the year ended March 31, 2019 and March 31, 2018. Accordingly, the closing equity balance as at March 31, 2019 of the Restated Ind AS Summary Statements has not been carried forward to opening Balance sheet as at April 01, 2019. The reconciliation of the same is as follows :

Particulars	Amount
Other equity	
Retained earnings	
Restated balance as at March 31, 2019	22,527.46
Add: Adjustment on account of transition to Ind AS 116 (including corresponding deferred tax)	1.14
Balance as at April 01, 2019 as per audited financial statements for year ended March 31, 2020	22,528.60

Gland Pharma Limited
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Annexure VI

Part C : Non adjusting items

Other audit qualifications included in the Annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2003 (as amended), on the financial statements for the year ended March 31, 2020, March 31, 2019 and March 31, 2018 which do not require any corrective adjustment in the Restated Ind AS Summary Statements are as follows:

As at and for the year ended March 31, 2020.
Annexure to auditor's report for the financial year ended March 31, 2020

Clause (vii) (c)
According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Sl No.	Name of the statute	Nature of dues	Amount demanded	Amount paid under dispute	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	Service Tax	3.85*	3.85	April 2014 to March 2015	High Court, Hyderabad
2	Finance Act, 1994	Service Tax	0.94	-	April 2015 to March 2016	Principal Commissioner of Central Tax, Hyderabad
3	Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	1.73	1.73	April 2012 to March 2014	Telangana VAT Appellate Tribunal, Hyderabad
4	Andhra Pradesh Value Added Tax Act, 2005	Value Added Tax	3.57	-	April 2014 to March 2017	Appellate Deputy Commissioner, Hyderabad
5	Entry Tax of Goods and Local Areas Act, 2001	Entry Tax	44.40	22.20	April 2011 to March 2017	High Court, Hyderabad
6	Entry Tax of Goods and Local Areas Act, 2001	Entry Tax	2.60	0.64	April 2017 to June 2017	High Court, Hyderabad
7	Income Tax Act, 1961	Income Tax	16.76	16.76	April 2016 to March 2017	Commissioner of Income-tax (Appeals)

* including interest and penalty

As at and for the year ended March 31, 2019.
Annexure to auditor's report for the financial year ended March 31, 2019

Clause (vii) (c)
According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Sl No.	Name of the statute	Nature of dues	Amount demanded	Amount paid under dispute	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	1.00	0.10	April 2012 to March 2014	Customs, Excise and Service Tax Appellate Tribunal
2	Central Excise Act, 1944	Excise Duty	0.99	0.07	April 2014 to March 2015	Customs, Excise and Service Tax Appellate Tribunal
3	Central Excise Act, 1944	Excise Duty	2.45*	0.18	April 2014 to March 2015	Customs, Excise and Service Tax Appellate Tribunal
4	Finance Act, 1994	Service Tax	28.12*	1.49	April 2009 to March 2014	Customs, Excise and Service Tax Appellate Tribunal
5	Finance Act, 1994	Service Tax	15.08*	1.03	April 2014 to March 2015	Customs, Excise and Service Tax Appellate Tribunal
6	Finance Act, 1994	Service Tax	26.44*	1.01#	April 2015 to March 2016	Commissioner of Central Excise (Appeals), Hyderabad
7	Finance Act, 1994	Service Tax	25.00	-	April 2016 to June 2017	Principal Commissioner of Central Tax, Hyderabad
8	Finance Act, 1994	Service Tax	85.19	-	April 2015 to March 2016	Principal Commissioner of Central Tax, Hyderabad
9	Finance Act, 1994	Service Tax	486.44	-	April 2016 to March 2017	Principal Commissioner of Central Tax, Hyderabad
10	Finance Act, 1994	Service Tax	2.73*	0.10	April 2014 to March 2015	Customs, Excise and Service Tax Appellate Tribunal
11	Finance Act, 1994	Service Tax	0.94	-	April 2015 to March 2016	Principal Commissioner of Central Tax, Hyderabad
12	Value Added Tax Act, 2005 and CST Act, 1956	Value Added Tax and CST	1.73	1.73	April 2012 to March 2014	Telangana Sales Tax and VAT Appellate Tribunal
13	Value Added Tax Act, 2005 and CST Act, 1956	Value Added Tax and CST	3.57	-	April 2014 to March 2017	Appellate Deputy Commissioner, Hyderabad
14	Entry tax of Goods into Local Areas Act, 2001	Entry Tax	44.40	22.20	April 2011 to March 2017	High court, Hyderabad
15	Entry tax of Goods into Local Areas Act, 2001	Entry Tax	2.60	-	April 2017 to June 2017	Assistant Commissioner, Hyderabad
16	Income Tax Act, 1961	Income Tax	0.86	0.86	April 2006 to March 2008	Deputy Commissioner of Income Tax

* including penalty
# paid subsequently to the year end.

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Annexure VI

As at and for the year ended March 31, 2018.
Annexure to auditor's report for the financial year ended March 31, 2018

Clause (vii) (a)
Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in a few cases.

Clause (vii) (c)
According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise , value added tax and cess on account of any dispute, are as follows:

Sl No.	Name of the statute	Nature of dues	Amount demanded	Amount paid under dispute	Period to which the amount relates	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	30.56	5.00	2001 - 03	Customs, Excise and Service Tax Appellate Tribunal
2	Central Excise Act, 1944	Excise Duty	0.99	0.07	2014 - 15	Assistant Commissioner, Hyderabad
3	Central Excise Act, 1944	Excise Duty	1.00	0.10	2012 - 14	Customs, Excise and Service Tax Appellate Tribunal
4	Central Excise Act, 1944	Excise Duty	2.45*	0.18	2014 - 15	Customs, Excise and Service Tax Appellate Tribunal
5	Finance Act, 1994	Service Tax	28.12*	1.49	2009 - 14	Customs, Excise and Service Tax Appellate Tribunal
6	Finance Act, 1994	Service Tax	0.37	0.37	2004 - 06	Customs, Excise and Service Tax Appellate Tribunal
7	Finance Act, 1994	Service Tax	15.08*	1.02	2014 - 15	Customs, Excise and Service Tax Appellate Tribunal
8	Finance Act, 1994	Service Tax	2.72*	0.10	2014 - 15	Customs, Excise and Service Tax Appellate Tribunal
9	Finance Act, 1994	Service Tax	13.21	-	2015 - 16	Additional Commissioner, Hyderabad
10	Finance Act, 1994	Service Tax	0.94	-	2015 - 16	Principal Commissioner, Hyderabad
11	Finance Act, 1994	Service Tax	86.12	-	2015 - 16	Principal Commissioner, Hyderabad
12	Finance Act, 1994	Service Tax	734.22*	27.53	2010 - 11 and 2012 - 15	Customs, Excise and Service Tax Appellate Tribunal
13	Value Added Tax Act, 2005 and CST Act, 1956	Value Added Tax and CST	1.73	1.73	2012-13 and 2013-14	Telangana Value Added Tax Appellate Tribunal
14	Entry tax of Goods into Local Areas Act, 2001	Entry Tax	44.40	22.20#	2010-11 to 2015-16	High court, Hyderabad
15	Andhra Pradesh VAT Act, 2005	Sales tax	0.99	0.12	1998-99 to 2001-02	Appellate Joint Commissioner (Sales tax, Hyderabad)
16	Income Tax Act, 1961	Income Tax	0.86	0.86	2006–07 and 2007-08	Deputy Commissioner of Income Tax
17	Income Tax Act, 1961	Income Tax	143.04	-	2013-14	Commissioner of Income Tax

*Including penalty.
paid subsequent to the year end.

Part D : Material regrouping
Appropriate regroupings have been made in the restated Ind AS summary statements of assets and liabilities, profit and loss and 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 accounting policies and classification as per the Ind AS financial information of the Company for the year ended March 31, 2020 prepared in accordance with Schedule III of the Act, requirements of Ind AS 1 - 'Presentation of financial statements' and other applicable Ind AS principles and the requirements of the SEBI ICDR regulations, as amended.

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Annexure VII
Notes to Restated IND AS Summary Statements
(All amounts in Indian Rupees millions, except share data and where otherwise stated)

1 Property, plant and equipment

	Freehold Land	Buildings	Plant and machinery	Laboratory equipment	Research and development equipment	Furniture and fixtures	Office equipment	Vehicles	Computers	Tube wells	Total
Cost											
As at April 01, 2017	250.41	2,006.39	6,892.20	371.89	193.42	158.67	48.74	36.36	95.64	1.49	10,055.21
Additions	42.40	120.12	193.86	37.67	43.89	21.68	3.94	1.49	29.02	-	494.07
Disposals	-	-	-	-	-	-	-	(4.76)	-	-	(4.76)
As at March 31, 2018	292.81	2,126.51	7,086.06	409.56	237.31	180.35	52.68	33.09	124.66	1.49	10,544.52
Additions	-	133.59	1,195.00	160.07	85.58	38.71	13.29	25.00	35.23	-	1,686.47
Disposals	-	-	(7.15)	(9.68)	-	(5.67)	(4.08)	(8.13)	(0.53)	-	(35.24)
As at March 31, 2019	292.81	2,260.10	8,273.91	559.95	322.89	213.39	61.89	49.96	159.36	1.49	12,195.75
Additions	184.64	10.26	990.71	119.57	12.55	17.56	7.95	6.44	43.28	-	1,392.96
Disposals	(41.77)	(24.28)	(48.39)	(2.80)	(0.18)	(1.46)	(1.61)	(1.54)	-	-	(122.03)
As at March 31, 2020	435.68	2,246.08	9,216.23	676.72	335.26	229.49	68.23	54.86	202.64	1.49	13,466.68
Accumulated depreciation											
As at April 01, 2017	-	159.97	908.03	88.94	60.08	43.87	21.91	4.70	51.37	0.53	1,339.40
Charge for the year	-	88.90	553.17	44.84	33.09	21.22	9.59	7.30	23.64	0.33	782.08
Disposals	-	-	-	-	-	-	-	(3.37)	-	-	(3.37)
As at March 31, 2018	-	248.87	1,461.20	133.78	93.17	65.09	31.50	8.63	75.01	0.86	2,118.11
Charge for the year	-	92.41	576.72	49.43	35.88	22.14	8.83	7.23	26.65	0.30	819.59
Disposals	-	-	(4.98)	(9.69)	-	(5.23)	(3.93)	(5.21)	(0.34)	-	(29.38)
As at March 31, 2019	-	341.28	2,032.94	173.52	129.05	82.00	36.40	10.65	101.32	1.16	2,908.32
Charge for the year	-	93.14	671.56	66.94	38.37	25.10	9.72	7.94	30.99	0.21	943.97
Disposals	-	(5.47)	(44.35)	(2.80)	(0.18)	(1.38)	(1.61)	(1.31)	-	-	(57.10)
As at March 31, 2020	-	428.95	2,660.15	237.66	167.24	105.72	44.51	17.28	132.31	1.37	3,795.19
Net carrying value											
As at March 31, 2018	292.81	1,877.64	5,624.86	275.78	144.14	115.26	21.18	24.46	49.65	0.63	8,426.41
As at March 31, 2019	292.81	1,918.82	6,240.97	386.43	193.84	131.39	25.49	39.31	58.04	0.33	9,287.43
As at March 31, 2020	435.68	1,817.13	6,556.08	439.06	168.02	123.77	23.72	37.58	70.33	0.12	9,671.49

Capital work in progress	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Capital work in progress	1,884.66	1,231.62	1,988.82
	1,884.66	1,231.62	1,988.82

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

2 Right-of-use assets

	Right-of-use leasehold land	Total
Cost		
As at April 01, 2017	12.87	12.87
Additions	-	-
Disposals	-	-
As at March 31, 2018	12.87	12.87
Additions	-	-
Disposals	-	-
As at March 31, 2019	12.87	12.87
Ind AS 116 transition adjustment(refer Annexure VI, part B)	(1.46)	(1.46)
As at April 01, 2019	11.41	11.41
Additions	-	-
Disposals	-	-
As at March 31, 2020	11.41	11.41
Accumulated depreciation		
As at April 01, 2017	-	-
Charge for the year	1.60	1.60
Disposals	-	-
As at March 31, 2018	1.60	1.60
Charge for the year	1.61	1.61
Disposals	-	-
As at March 31, 2019	3.21	3.21
Ind AS 116 transition adjustment(refer Annexure VI, part B)	(3.21)	(3.21)
As at April 01, 2019	-	-
Charge for the year	1.90	1.90
Disposals	-	-
As at March 31, 2020	1.90	1.90
Net carrying value		
As at March 31, 2018	11.27	11.27
As at March 31, 2019	9.66	9.66
As at March 31, 2020	9.51	9.51

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

Financial assets

3 Loans

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)			
Other loans			
Loans to employees	4.96	2.75	3.11
	4.96	2.75	3.11

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

4 Other financial assets

	Non-current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)			
Security deposits	69.15	64.26	58.84
Bank deposits	-	-	2.04
	69.15	64.26	60.88

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)			
Security deposits	3.23	3.60	1.62
Interest accrued but not due on bank deposits and others	147.78	67.39	32.31
	151.01	70.99	33.93

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

5 Trade receivables

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Receivables from related parties (refer note 33)	113.28	7.21	31.07
Trade receivables from other parties	5,904.57	5,053.79	4,721.03
	6,017.85	5,061.00	4,752.10
Breakup for security details			
Considered good, unsecured	6,017.85	5,061.00	4,752.10
Credit impaired	53.60	10.45	16.22
Less: allowance for credit losses	(53.60)	(10.45)	(16.22)
	6,017.85	5,061.00	4,752.10

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 33.

Trade receivables are non-interest bearing and are generally on terms of 30 - 120 days.

The details of changes in allowance for credit losses during the year ended are as follows:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	10.45	16.22	-
Provision made during the year, net of reversals	59.31	105.17	29.04
Trade receivables written off during the year and effect of changes in the foreign exchange rates	(16.16)	(110.94)	(12.82)
Balance at the end of the year	53.60	10.45	16.22

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

6 Tax assets

	Non-current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Advance income tax (net)	13.28	187.47	196.24
Income tax paid under protest	1.23	2.12	2.12
	14.51	189.59	198.36

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Advance income tax (net)	95.35	-	-
	95.35	-	-

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

7 Other assets

	Non-current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)			
Capital advances	403.36	421.55	38.17
Export incentives receivable	16.61	13.28	17.46
Balance with statutory/ government authorities	328.20	443.54	1,231.68
	748.17	878.37	1,287.31

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)			
Advances to material suppliers	150.74	108.36	71.64
Prepaid expenses	91.22	85.17	103.75
Export rebate claims receivable	22.10	21.06	17.63
Export incentives receivable	451.22	368.28	502.78
Balance with statutory/ government authorities	663.73	1,204.70	-
	1,379.01	1,787.57	695.80

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

8 Inventories (valued at lower of cost and net realisable value)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Raw materials and components [(1)]	3,024.35	4,276.99	2,611.69
Packing materials [(2)]	1,575.61	1,995.51	886.76
Finished goods*	687.33	426.50	481.87
Work-in-progress	1,976.86	2,168.65	971.74
Stores and spares	298.64	251.11	176.24
	7,562.79	9,118.76	5,128.30
*Includes stock in trade	46.42	72.50	31.57
Goods in transit includes -			
[(1)] Raw materials and components	52.75	46.99	-
[(2)] Packing materials	18.79	168.85	-

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

9 Cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Cash on hand*	0.67	0.29	0.41
Balances with banks			
On current accounts	1,394.70	1,600.77	1,396.03
Deposits with original maturity of less than three months	299.60	762.96	2,331.97
	1,694.97	2,364.02	3,728.41

* Cash on hand includes Rs. 0.36, Rs. Nil and Rs. Nil as at March 31, 2020, March 31, 2019 and March 31, 2018 respectively held in foreign currency.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

10 Bank balances other than cash and cash equivalents

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Other deposit accounts			
Deposit with remaining maturity of less than 12 months	11,427.28	4,843.45	2,782.99
Margin money deposits*			
Deposit with remaining maturity of less than 12 months	129.68	326.02	196.99
	11,556.96	5,169.47	2,979.98

*Margin money deposits represent security held by bank including bank guarantees issued by the bankers on behalf of the Company.

Breakup of financial assets

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost			
Loans and others	225.12	138.00	97.92
Trade receivables	6,017.85	5,061.00	4,752.10
Cash and cash equivalents	1,694.97	2,364.02	3,728.41
Bank balances other than cash and cash equivalents	11,556.96	5,169.47	2,979.98
Total financial assets carried at amortised cost	19,494.90	12,732.49	11,558.41

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

11 Share capital

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Authorised			
500,000,000 equity shares of Re. 1 each (March 31, 2019: 18,000,000 ; March 31, 2018: 18,000,000 of Rs. 10/- each)	500.00	180.00	180.00
0.001 % 5,100,000 compulsorily convertible non cumulative preference shares of Rs. 10/- each	51.00	51.00	51.00
0.001 % 1,200,000 redeemable convertible non cumulative preference shares of Rs. 10/- each	12.00	12.00	12.00
	563.00	243.00	243.00
Issued, subscribed and fully paid up shares			
154,949,490 (March 31, 2019: 15,494,949; March 31, 2018: 15,494,949 of Rs. 10/- each) equity shares of Re. 1 each	154.95	154.95	154.95

(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year

Equity Shares	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	15,494,949	154.95	15,494,949	154.95	15,494,949	154.95
Less: Shares bought back during the year*	-	-	-	-	(942,500)	(9.43)
Issued during the year#	-	-	-	-	942,500	9.43
Increase in shares on account of subdivision (refer note h)	139,454,541	-	-	-	-	-
At the end of the year	154,949,490	154.95	15,494,949	154.95	15,494,949	154.95

Equity component of convertible preference shares	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-	-	-
Add: Issued during the year#	-	-	-	-	942,500	9.43
Less: Converted during the year#	-	-	-	-	(942,500)	(9.43)
At the end of the year	-	-	-	-	-	-

* During the year ended March 31, 2018, the Company bought back 942,500 equity shares under the buy-back of equity shares plan approved by the shareholders on September 15, 2017.

#During the year ended March 31, 2018, the Company had issued 0.001 % 942,500 compulsorily convertible non cumulative preference shares of Rs. 10 each, which were converted into equity shares.

Aggregate number of shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Equity shares of Rs. 10 each	-	942,500	-	177,500	2,223,000

(b)Terms / rights attached to equity shares

The Company has only one class of equity shares having par value of Re. 1 (March 31, 2019 and March 31, 2018 Rs. 10) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. The Company has not paid any dividend during the year ended March 31, 2020 , March 31, 2019, and March 31, 2018.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c)Terms / rights attached to compulsorily convertible non cumulative preference shares

The Company had only one class of compulsorily convertible non cumulative preference shares (CCPS) having par value of Rs. 10 per share. A holder of a CCPS will not have voting rights until the CCPS are converted into underlying equity shares. Each CCPS shall be a non-cumulative preference share and shall entitle the holder thereof to 0.001% dividend per annum on the face value of the CCPS.

Each CCPS shall at the option of the Company or at the option of the acquirer, be converted into 1 (one) equity share at any time after the closing date. Each CCPS shall automatically be converted into 1 (one) equity share upon the expiry of a period of 5 (five) years from the date on which the CCPS is issued. During the year ended March 31, 2018, the Company had issued 0.001 % 942,500 compulsorily convertible non cumulative preference shares of Rs. 10 each, which were converted into equity shares.

(d)Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries / associates are as below:

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Fosun Pharma Industrial Pte. Ltd., Singapore - Equity Shares	114,662,620	114.66	11,466,262	114.66	11,466,262	114.66
	114,662,620	114.66	11,466,262	114.66	11,466,262	114.66

(e) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019		As at March 31, 2018	
	No. of Shares	% holding	No. of Shares	% holding	No. of Shares	% holding
Fosun Pharma Industrial Pte. Ltd., Singapore	114,662,620	74.00%	11,466,262	74.00%	11,466,262	74.00%
Gland Celsus Bio-Chemicals Pvt Ltd.	20,094,870	12.97%	2,009,487	12.97%	2,009,487	12.97%
RP Advisory Services Pvt Ltd being a Trustee of Empower Discretionary Trust	7,867,000	5.08%	786,700	5.08%	786,700	5.08%

As per records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

(f) No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

(g) Shares reserved for issue under options

During the year ended March 31, 2020 , the Company has instituted the Gland Pharma Employee Stock Option Scheme 2019 ('ESOP Scheme 2019') pursuant to approval of the Gland Pharma Employee Stock Option Plan 2019 ('Plan'). The maximum number of shares that may be issued pursuant to the scheme shall not exceed 170,444 shares. Out of 170,444 shares, 154,950 shares were granted on June 27, 2019 (grant date) to the eligible employees. The aforementioned shares are before subdivision of equity shares (refer note h below).

(h) Subdivision of equity shares

(i) On March 17, 2020 the equity shares of the Company having the face value of Rs. 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of Re. 1 (Rupee one only) each. Accordingly 15,494,949 equity shares of face value of Rs. 10 each were sub divided into 154,949,490 equity shares of face value of Re. 1 each.
(ii) The earnings per share in respect of current and previous years has been restated considering the aforesaid sub division of shares.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

12 Other equity

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Equity component of convertible preference shares			
Balance at the beginning of the year	-	-	-
Issued during the year	-	-	9.43
Converted during the year	-	-	(9.43)
Balance at the end of the year	-	-	-
Securities premium			
Balance at the beginning of the year	5,889.94	5,889.94	5,149.72
Issue of share capital	-	-	3,976.81
Amount utilized towards buy back of shares	-	-	(3,236.59)
Balance at the end of the year	5,889.94	5,889.94	5,889.94

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Capital redemption reserve			
Balance at the beginning of the year	33.44	33.44	24.01
Amount transferred from general reserve on account of buy back	-	-	9.43
Balance at the end of the year	33.44	33.44	33.44
General reserve			
Balance at the beginning of the year	31.22	31.22	40.65
Amount transferred to capital redemption reserve on account of buy back	-	-	(9.43)
Balance at the end of the year	31.22	31.22	31.22
Share based payment reserve			
Balance at the beginning of the year	-	-	-
Shares based compensation to employees for the year (refer note 31)	164.84	-	-
Balance at the end of the year	164.84	-	-
Retained earnings			
Balance at the beginning of the year	22,527.46	18,008.90	15,538.61
Ind AS 116 transition adjustment(refer Annexure VI, part B)	1.14	-	-
	22,528.60	18,008.90	15,538.61
Profit for the year	7,728.58	4,518.56	3,210.51
Tax on buy back of shares	-	-	(740.22)
Balance at the end of the year	30,257.18	22,527.46	18,008.90
Other comprehensive income			
Items recognised directly in other comprehensive income			
Balance at the beginning of the year	(17.02)	(14.86)	(9.83)
Re-measurement loss on employee defined benefit plans (net of tax)	(52.20)	(2.16)	(5.03)
Balance at the end of the year	(69.22)	(17.02)	(14.86)
	36,307.40	28,465.04	23,948.64

Nature and purpose of reserves

Equity component of convertible preference shares

Equity component of convertible preference shares represents excess amount realised after deducting transaction cost over financial liability portion in Convertible preference shares.

Securities premium

Securities premium reserve represents the premium received on issue of shares. It can be utilised to pay-off equity related expenses or for issuance of bonus shares and its related issue expenses.

Capital redemption reserve

Capital redemption reserve represents the amount of profits transferred from general reserve for the purpose of redemption of preference shares or for the buy back of shares.

General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid up share capital of the Company for that year, then the total dividend distribution is less than total distributable reserve for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been with drawn. However the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Share based payment reserve

Share based payment reserve is used to recognise the value of equity settled share based payments provided to employees as a part of their remuneration.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

13 Borrowings

	Non-current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
From others (Unsecured)			
Deferred sales tax loan (refer note (a))	40.69	49.60	54.89
	40.69	49.60	54.89

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
From others (Unsecured)			
Deferred sales tax loan (refer note (a))	8.91	5.30	4.26
	8.91	5.30	4.26
Less: Amount disclosed under the head "other current financial liabilities" (refer note 15)	(8.91)	(5.30)	(4.26)
	-	-	-

(a) Deferred sales tax is interest free and payable in 14 yearly unequal instalments starting from October 2012, as per the sales tax deferment scheme. The last instalment is payable in financial year 2026-27.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

14 Trade payables

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost			
Trade payables to third parties			
Due to micro, small and medium enterprises (refer note 32)	33.15	14.28	23.43
Other parties	2,285.37	4,359.49	2,538.64
Trade payables to related parties (refer note 33)	172.42	88.21	356.04
	2,490.94	4,461.98	2,918.11

Terms and conditions of the above financial liabilities:
Trade payables are non-interest bearing and are normally settled on 30-120 day terms.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

15 Other financial liabilities

	Non-current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost			
Lease liabilities	9.25	10.51	11.41
Refund liability	17.33	52.01	375.76
Employee separation compensation payable	-	100.00	-
	26.58	162.52	387.17

	Current		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost			
Lease liabilities	1.26	0.90	0.82
Current maturities of non-current borrowings	8.91	5.30	4.26
Capital creditors*	186.25	107.45	138.52
Trade deposits payable	7.37	6.17	5.57
Employee separation compensation payable	100.00	100.00	-
	303.79	219.82	149.17
*Includes amount payable to micro, small and medium enterprises (refer note 32)	16.34	27.14	14.02

Breakup of financial liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost			
Non current borrowings	40.69	49.60	54.89
Trade payables	2,490.94	4,461.98	2,918.11
Employee separation compensation payable	100.00	200.00	-
Lease liabilities	10.51	11.41	12.23
Current maturities of non-current borrowings	8.91	5.30	4.26
Capital creditors	186.25	107.45	138.52
Trade deposits payable	7.37	6.17	5.57
Refund liability	17.33	52.01	375.76
Total financial liabilities carried at amortised cost	2,862.00	4,893.92	3,509.34

Changes in liabilities arising from financing activities

Particulars	April 01, 2019	Cash flows	Interest	March 31, 2020
Non-current borrowings (including current maturities)	54.90	(5.30)	-	49.60
Lease liabilities	11.41	(1.91)	1.01	10.51
Total liabilities from financing activities	66.31	(7.21)	1.01	60.11

Particulars	April 01, 2018	Cash flows	Interest	March 31, 2019
Non-current borrowings (including current maturities)	59.15	(4.25)	-	54.90
Lease liabilities	12.23	(1.91)	1.09	11.41
Total liabilities from financing activities	71.38	(6.16)	1.09	66.31

Particulars	April 01, 2017	Cash flows	Interest	March 31, 2018
Non-current borrowings (including current maturities)	63.76	(4.61)	-	59.15
Lease liabilities	12.87	(1.81)	1.17	12.23
Total liabilities from financing activities	76.63	(6.42)	1.17	71.38

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

16 Deferred tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Deferred tax liability			
Property, plant and equipment	801.00	1,092.64	970.38
	801.00	1,092.64	970.38
Deferred tax asset			
Provision for employee benefits	47.19	12.69	7.30
Leases	0.25	0.61	0.33
Allowance for credit losses	13.02	3.65	5.61
	60.46	16.95	13.24
	740.54	1,075.69	957.14

For the year ended March 31, 2020:

	Balance as on April 01, 2019	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as on March 31, 2020
Property, plant and equipment	1,092.64	(291.64)	-	801.00
Leases*	-	(0.25)	-	(0.25)
Provision for employee benefits	(12.69)	(16.95)	(17.55)	(47.19)
Allowance for credit losses	(3.65)	(9.37)	-	(13.02)
Deferred tax liability (net)	1,076.30	(318.21)	(17.55)	740.54

*Opening balance has been considered Rs. Nil (March 31, 2019 Rs. 0.61) due to transition adjustment relating to IND AS 116

For the year ended March 31, 2019:

	Balance as on April 01, 2018	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as on April 01, 2019
Property, plant and equipment	970.38	122.26	-	1,092.64
Leases	(0.33)	(0.28)	-	(0.61)
Provision for employee benefits	(7.30)	(4.23)	(1.16)	(12.69)
Allowance for credit losses	(5.61)	1.96	-	(3.65)
Deferred tax liability (net)	957.14	119.71	(1.16)	1,075.69

For the year ended March 31, 2018:

	Balance as on April 01,2017	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as on March 31, 2018
Property, plant and equipment	863.14	107.24	-	970.38
Leases	-	(0.33)	-	(0.33)
Provision for employee benefits	(9.35)	4.71	(2.66)	(7.30)
Allowance for credit losses	-	(5.61)	-	(5.61)
Deferred tax liability (net)	853.79	106.01	(2.66)	957.14

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

17 Provisions

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits			
Provision for gratuity (refer note 30)	70.19	17.37	11.91
Provision for compensatory absences	104.60	11.44	9.18
	174.79	28.81	21.09

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

18 Current tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Income tax (net of advance tax and tax deducted at source)	107.23	110.04	129.00
	107.23	110.04	129.00

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

19 Other current liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Statutory dues	171.17	117.87	38.69
Advances from customers	342.31	389.17	535.83
	513.48	507.04	574.52

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

20 Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Revenue from contracts with customers			
A1. Revenue from sale of goods			
- Domestic	3,013.94	2,269.74	1,698.83
- Export	20,205.64	15,543.18	12,507.61
(A1)	23,219.58	17,812.92	14,206.44
A2. Revenue from sale of services			
- Domestic	1,043.47	1,098.30	902.19
- Export	1,454.75	1,020.25	721.54
(A2)	2,498.22	2,118.55	1,623.73
Sub-total (A=A1+A2)	25,717.80	19,931.47	15,830.17
(B) Other operating income			
- Export incentives	614.60	510.56	398.76
(B)	614.60	510.56	398.76
(A+B)	26,332.40	20,442.03	16,228.93

Effective July 01, 2017, Goods and Services Tax ("GST") was introduced in India. Following the principles of Ind AS 115, Revenue from contracts with customers, sales is disclosed net of GST. For periods prior to July 01, 2017, the excise duty amount was recorded as part of revenues. Accordingly sales for the year ended March 31, 2020, March 31, 2019 are not comparable with those of the previous year presented.

Revenue from contract with customers:

(i) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers, excluding other operating income :

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations - Sale of goods	23,219.58	17,812.92	14,206.44
Revenue from operations - Sale of service	2,498.22	2,118.55	1,623.73
	25,717.80	19,931.47	15,830.17
India	4,057.41	3,368.04	2,601.02
Outside India	21,660.39	16,563.43	13,229.15
	25,717.80	19,931.47	15,830.17
Timing of revenue recognition			
Service transferred over time	2,498.22	2,118.55	1,623.73
Goods transferred at a point of time	23,219.58	17,812.92	14,206.44
	25,717.80	19,931.47	15,830.17

(ii) Contract balances

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Trade receivables	6,017.85	5,061.00	4,752.10
Contract liabilities	342.31	389.17	535.83

Refund liability

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Revenue received in advance	17.33	52.01	375.76

Contract liabilities represents the Company's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Refund liability is accounted when the Company receives consideration from a customer and expects to refund some or all of that consideration to the customer. In development agreements where the Company's consideration is contingent on obtaining US FDA approvals within a specific time period, the consideration is refundable if the approvals fails, irrespective of whether the Company is at default or not.

(a) Significant changes in contract liabilities is explained as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	389.17	535.83	422.19
Revenue recognised during the year	(386.29)	(356.57)	(111.30)
Contract liabilities recognised during the year	339.43	209.91	224.94
Balance at the end of the year	342.31	389.17	535.83
Expected revenue recognisation from remaining performance obligations			
- within one year	342.31	389.17	535.83

(b) Significant changes in refund liabilities is explained as follows:

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Balance at the beginning of the year	52.01	375.76	388.88
Amounts utilised during the year	(34.68)	(323.75)	(13.12)
Balance at the end of the year	17.33	52.01	375.76

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

21 Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on			
- Fixed deposits	511.80	429.92	268.80
- Others	3.06	3.21	2.88
Foreign exchange gain (net)	693.11	415.90	213.18
Profit on disposal of property, plant and equipment (net)	173.93	0.85	0.21
Insurance claim	1.07	-	0.01
Miscellaneous income	8.71	5.76	2.81
	1,391.68	855.64	487.89

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

22 Cost of materials consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	4,276.99	2,611.69	1,935.94
Add: Purchases	6,990.28	8,907.51	6,048.75
	11,267.27	11,519.20	7,984.69
Less: Inventory at the end of the year	(3,024.35)	(4,276.99)	(2,611.69)
Cost of raw materials consumed	8,242.92	7,242.21	5,373.00
Cost of packing materials consumed	2,659.62	2,306.70	1,809.98
	10,902.54	9,548.91	7,182.98

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

23 Increase in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year			
Finished goods	687.33	426.50	481.87
Work in progress	1,976.86	2,168.65	971.74
	2,664.19	2,595.15	1,453.61
Inventories at the beginning of the year			
Finished goods	426.50	481.87	237.35
Work in progress	2,168.65	971.74	549.60
	2,595.15	1,453.61	786.95
	(69.04)	(1,141.54)	(666.66)

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

24 Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	2,381.49	2,009.56	1,612.21
Contribution to provident fund	104.38	92.08	82.04
Gratuity expense	36.82	57.48	33.64
Staff welfare expenses	89.09	70.37	62.91
Employee stock option compensation expenses (refer note 31)	164.84	-	-
	2,776.62	2,229.49	1,790.80

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

25 Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Stores consumed	342.51	262.76	206.60
Rent	7.60	8.07	23.03
Repairs and maintenance:			
- Plant and machinery	232.79	226.58	166.27
- Buildings	91.33	76.61	66.66
- Other	17.28	17.30	11.66
Rates and taxes	371.32	312.70	211.23
Quality control expenses	338.42	271.79	235.14
Research and development consumables	228.75	207.17	189.12
Legal and professional charges [(1)]	91.21	48.28	467.75
Carriage outwards	104.34	85.23	71.25
Insurance	29.30	24.34	23.49
Printing and stationery	24.52	23.03	21.29
Travelling and conveyance	31.05	31.47	23.10

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Selling and business promotion expenses	51.92	42.06	20.10
Sales commission	14.50	11.49	7.96
Postage and courier	3.72	4.22	3.41
Telephone expenses	9.94	5.93	6.14
Vehicle maintenance	8.15	9.23	6.84
Payment to auditors:			
Audit fees	8.60	9.79	5.70
Certifications fees and others	0.08	0.18	0.58
Out of pocket expenses	0.38	0.11	0.06
Allowance for credit losses	43.15	10.45	16.22
Bad debts written off	16.16	94.72	12.82
Miscellaneous expenses	66.72	51.88	41.45
Corporate social responsibility(CSR) expenditure [2]	62.14	1.57	6.82
	2,195.88	1,836.96	1,844.69

[1] Includes Rs. Nil for March 31, 2020, Rs. Nil for March 31, 2019 and Rs. 425.07 million for March 31, 2018 ,towards transaction cost for acquisition of 74% stake by Fosun in the Company.

[2] Details of CSR expenditure

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Gross amount required to be spent by the Company during the year :	117.73	102.63	87.36
(b) Amount spent during the year [*]	62.14	1.57	6.82

[*]paid in cash for the purpose other than construction / acquisition of any asset

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

26 Finance expense

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on others	61.50	25.08	31.31
Finance charges on leases	1.01	1.09	1.17
Bank charges	9.31	10.52	9.94
	71.82	36.69	42.42

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

27 Depreciation expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipment	943.97	819.59	782.08
Depreciation on right-of-use assets	1.90	1.61	1.60
	945.87	821.20	783.68

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

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28 Taxes

(a) Income tax expense:

The major components of income tax expenses are :

(i) Profit and loss section

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	2,513.97	2,212.26	1,694.59
Deferred tax (credit) / charge (refer note 46 to Annexure VII)	(318.21)	119.71	106.01
Adjustment of current income tax relating to earlier years	4.32	12.25	3.54
Total income tax expense recognised in statement of profit and loss	2,200.08	2,344.22	1,804.14

(ii) OCI section

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax credit on remeasurement of defined benefit plans	(17.55)	(1.16)	(2.66)
Income tax charged to OCI	(17.55)	(1.16)	(2.66)

(b) Reconciliation of effective tax rate:

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax (A)	9,928.66	6,862.78	5,014.65
Enacted tax rate in India (B)	25.17%	34.94%	34.61%
Expected tax expenses (C = A*B)	2,498.85	2,398.13	1,735.47
Tax effect of			
Deduction under section 10AA of the Income Tax Act, 1961	-	16.06	(28.54)
Weighted deduction under section 35(2AB) under the Income Tax Act, 1961*	-	(93.98)	(63.47)
Expenses disallowed under the Income Tax Act, 1961	14.90	4.81	153.76
Adjustment for taxes with respect to earlier years	4.32	12.25	3.54
Impact of rate change on deferred tax (refer note 46)	(301.11)	9.30	-
Impact of capital gain tax	(18.58)	-	-
Others	1.70	(2.35)	3.38
Total (D)	(298.77)	(53.91)	68.67
Expected tax expense (C+D)	2,200.08	2,344.22	1,804.14
Income tax expense	2,200.08	2,344.22	1,804.14
Effective tax rate	22.16%	34.16%	35.98%

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

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29 Earnings per Share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
i) Profit / loss for the year attributable to equity shareholders	7,728.58	4,518.56	3,210.51
ii) Weighted average number of equity shares in calculating basic EPS	154,949,490	154,949,490	154,949,490
iii) Weighted average number of equity shares in calculating diluted EPS	154,949,490	154,949,490	154,949,490
vi) Face value of each equity share (Rs.)	1.00	1.00	1.00
iv) Basic earnings per share	49.88	29.16	20.72
v) Diluted earnings per share	49.88	29.16	20.72

As per para 28 of Ind AS 33, Earnings Per Share, in a capitalisation or bonus issue or a share split, the number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented. Weighted average number of equity shares have been considered accordingly.

The Company on March 17, 2020 , has split the Rs. 10 equity share into 10 shares of Re. 1 each. Accordingly, the earnings per share has been adjusted for subdivision of shares for the current and previous years presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

30 Employee benefit plans

I Defined benefit plan

The Company has a defined benefit gratuity plan and is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The scheme is funded through a policy with Life Insurance Corporation (LIC). Provision for gratuity is based on actuarial valuation done by an independent actuary as at the year end. Each year, the Company reviews the level of funding in gratuity fund and decides its contribution. The Company aims to keep annual contributions relatively stable at a level such that the fund assets meets the requirements of gratuity payments in short to medium term. The following tables summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance sheet for the gratuity plan:

A) Net employee benefit expense (recognised in employee benefits expense)	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Current service cost	35.51	26.20	22.35
Past service cost	-	30.37	10.33
Interest cost	16.14	11.45	8.41
Expected return on plan assets	(14.83)	(10.54)	(7.45)
Net employee benefit expenses	36.82	57.48	33.64

B) Amount recognised in the Balance Sheet	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation	305.20	213.52	150.08
Fair value of plan assets	(235.01)	(196.15)	(138.17)
	70.19	17.37	11.91

C) Changes in the present value of the defined benefit obligation	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligation	213.52	150.08	120.42
Current service cost	35.51	26.20	22.35
Interest cost	16.14	11.45	8.41
Benefits paid	(28.79)	(7.07)	(19.67)
Past service cost	-	30.37	10.33
Net actuarial losses on obligation for the year recognised under OCI	68.82	2.49	8.24
Closing defined benefit obligation	305.20	213.52	150.08

D) Change in the fair value of plan assets	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Opening fair value of plan assets	196.15	138.17	106.80
Expected return on plan assets	14.83	10.54	7.45
Contributions	53.75	55.34	43.04
Benefits paid	(28.79)	(7.07)	(19.67)
Net Actuarial (losses) / gains on plan assets for the year recognised under OCI	(0.93)	(0.83)	0.55
Closing fair value of plan assets	235.01	196.15	138.17
Expected contribution to the gratuity fund in the next year	110.73	47.06	35.44
The weighted average duration of the defined benefit plan obligation at the end of the reporting period (in years)	6	7	7

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Investments with LIC	100.00%	100.00%	100.00%

E) Re measurement adjustments:	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Experience loss on plan liabilities	19.57	1.03	15.69
Experience loss / (gain) on plan assets	0.93	0.83	(0.55)
Financial loss / (gain) on plan liabilities	82.11	1.46	(7.45)
Demographic gain on plan liabilities	(32.86)	-	-
Re measurement losses recognised in other comprehensive income:	69.75	3.32	7.69

(i) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Discount rate	6.00%	7.55%	7.65%
Salary rise	10.00%	8.00%	8.00%
Attrition rate	16.00%	10.00%	10.00%

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

Attrition rate indicated above represents the Company's best estimate of employee turnover in future (other than on account of retirement, death or disablement) determined considering various factors such as nature of business, retention policy, industry factors, past experience, etc.

(ii) Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows:

Expected benefit payments:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
1 year	51.44	39.27	21.04
2-5 years	141.21	83.03	62.40
6-10 years	131.67	103.60	70.63
>10 years	141.85	188.32	151.95

(iii) Sensitivity analysis:

A quantitative sensitivity analysis for significant assumption is as shown below:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(a) Effect of 1% change in assumed discount rate			
- 1% increase	287.60	199.41	139.54
- 1% decrease	324.35	229.05	161.59
(b) Effect of 1% change in assumed salary growth rate			
- 1% increase	323.42	228.83	160.64
- 1% decrease	288.06	199.34	140.05
(c) Effect of 50% change in assumed attrition rate			
- 50 % increase	282.17	209.40	147.54
- 50 % decrease	355.25	218.75	152.82

II Defined Contribution Plan

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Contribution to provident fund	104.38	92.08	82.04

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

31 Share-based payments

The Company instituted the Gland Pharma Employee Stock Option Scheme 2019 ('ESOP Scheme 2019') pursuant to approval of the Gland Pharma Employee Stock Option Plan 2019 ('Plan'). ESOP Scheme 2019 has been approved by special resolution on May 24, 2019 by the shareholders at the General meeting of the Company. The scheme is to grant options to eligible employees. The Compensation committee of the Board, based on satisfaction of prescribed criteria like number of years of service of the employee, industry experience of the employee, grade or level of the employee etc.; identify the employees eligible for the scheme. The maximum number of Shares that may be issued pursuant to exercise of options granted to the participants under ESOP plan and the relevant notified scheme(s) shall not exceed 170,444 shares. Out of 170,444 shares the committee granted 154,950 shares on June 27, 2019 (grant date) to eligible employees. The aforementioned shares are before subdivision of equity shares (refer note 11(h)).

The method of settlement under scheme is by issue of equity shares of the Company and there are no cash settlement alternatives for the employees. Each option comprises of one underlying equity Share of Rs. 10/- each. The said options shall vest as 40%, 30% and 30% over the variable period subject to clauses defined in the Plan, continued employment of the Participant with the Company ("Service Condition"), successful listing of the Company on a recognized stock exchange in India ("Listing Condition") and on satisfaction of Employee performance conditions specified in the grant letter.

The details of ESOP Scheme are summarised below:

Grant	Grant date	Number of options granted	Exercise price	Weighted average fair value of option at grant date
1st Grant	June 27, 2019	154,950	5,420.00	2,484.60

Movements during the year

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
	No. of shares	No. of shares	No. of shares
Outstanding as at beginning of year	-	-	-
Granted during the year	154,950	-	-
Exercised during the year	-	-	-
Lapsed during the year	(4,600)	-	-
Outstanding as at end of year	150,350	-	-
Weighted average remaining contractual life for the stock option outstanding as at the year end (years)	0.75, 1.75 and 2.75		
Exercise price for options outstanding at the end of the year (Rs.)	5,420.00	-	-
Weighted average fair value of stock options granted during the year (Rs.)	2,484.60	-	-

The Black Scholes valuation model has been used for computing the fair value of options on the grant date considering the following inputs :

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Time to maturity (years)	1,2 and 3	-	-
Market price	6775.00	-	-
Exercise price*	5420.00	-	-
Option life (years)	3	-	-
Expected volatility (%)	30.00%	-	-
Risk–free interest rate (%)	7.35%	-	-
Expected dividends	0%	-	-
Expected term based on vesting period (weighted average term of vesting period in years) **	1.5, 2.5 and 3.5	-	-

*As per ESOP Scheme 2019, the exercise price shall be at 20% discount to the market price, as determined at the time of grant.
** As per Employee Stock Option Scheme, the vested options can be exercised within prescribed tenure and so for the purpose of expected term it is assumed that exercise will happen at middle of exercise period.

Share-based payment expense

The expense recognised for employee services received during the year is shown in the following table :

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Equity settled share-based payment expense	164.84	-	-
Total expense arising from share-based payment	164.84	-	-

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

32 Trade payables and capital creditors (Details of dues to Micro, Small and Medium Enterprises as per MSMED Act,2006):

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	49.49	41.42	37.45
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting 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 Micro Small and Medium Enterprise Development Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-
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 for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-	-

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

33 Related party disclosures

Name and Relationship of the related party	
Ultimate Parent Company	
Shanghai Fosun Pharmaceutical (Group) Co., Ltd., China (w.e.f October 03, 2017)	
Holding Company	
Fosun Pharma Industrial Pte. Ltd., Singapore (w.e.f October 03, 2017)	
Enterprise which exercises significant influence :	
KKR Floorline Investors Pte Limited, Singapore (Upto October 03, 2017)	
Fellow subsidiary	
Chongqing Pharmaceutical Research Institute Co., Ltd, China (from October 03, 2017)	
Chongqing Pharmaceutical Research Institute (Changshou) Co., Ltd, China (from October 03, 2017) (w.e.f January 01, 2020 absorbed by merger with Chongqing Carelife Pharmaceutical Co., Ltd.)	
Jiangsu Wanbang Biopharmaceutical Company Limited, China (from October 03, 2017)	
Fosun Pharma USA Inc., USA (from October 03, 2017)	
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd., China (from October 03, 2017)	
Guilin Pharmaceutical Co., Ltd., China (from October 03, 2017)	
Jinzhou Aohong Pharmaceutical Co., Ltd., China (from October 03, 2017)	
Chongqing Carelife Pharmaceutical Co., Ltd., China (from October 03, 2017)	
Shanghai Henlius Biotech Inc., China (from October 03, 2017)	
Fosun Pharma Sp. z o.o., Poland (from October 03, 2017)	
Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd., China (from October 03, 2017)	
Enterprise over which Key Management Personnel exercise significant influence	
Gland Chemicals Private Limited, India *	
Gland Celsus Bio Chemicals Private Limited, India *	
Dhananjaya Properties LLP *	
Sasikala Properties LLP *	
Nicomac Clean Rooms Far East Private Limited, India (upto October 03, 2017)	
Moreschi Asia Doors Private Limited, India (upto October 03, 2017)	

*During the period April 26, 2019 till June 02, 2019, these entities were not related parties as none of the Key Management Personnel (KMP) of the Company were exercising significant influence over these entities during such period.

Key Management Personnel	
P.V.N. Raju	Chairman and Director (upto November 20, 2018)
Ravindranath Penmetsa (Dr. Ravi Penmetsa)	Managing Director and Chief Executive Officer (upto April 25, 2019) Director in Fosun Pharma Industrial Pte. Ltd. (w.e.f June 03, 2019)
Srinivas Sadu	Whole Time Director (upto October 03, 2017) Chief Operating Officer (upto April 25, 2019) Managing Director and Chief Executive Officer (w.e.f April 25, 2019)
B. Narasimha Rao	Chief Financial Officer and Whole Time Director (upto October 03, 2017)
Ravi Shekhar Mitra	Chief Financial Officer (w.e.f September 30, 2019)
K. Jhansi Lakshmi	Vice President (Finance) and Whole Time Director (upto October 03, 2017)
Satyanarayana Murthy Chavali	Independent Director (w.e.f November 20, 2018)
Moheb Ali Mohammed	Independent Director
D. S. Brar	Independent Director (upto February 07, 2018)
Yiu Kwan Stanley Lau	Independent Director (w.e.f June 10, 2019)
P. Sampath Kumar	Company Secretary
Udo J. Vetter	Director (w.e.f February 07, 2018)
Relatives of Key Management Personnel	
K Praveen Kumar	
P. Suryakantham	
Nakul V. Penmetsa	
K. Jhansi Lakshmi	

Transactions during the year:

	Nature	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Enterprise over which Key Management Personnel exercise significant influence				
Gland Chemicals Private Limited	Purchase of raw material	1,183.73	670.10	782.55
Gland Chemicals Private Limited	Sale of goods	0.53	7.42	85.25
Nicomac Clean Rooms Far East Private Limited	Purchase of capital goods	-	-	24.18
Moreschi Asia Doors Private Limited	Purchase of capital goods	-	-	1.16
Dhananjaya Properties LLP	Rent expense	2.36	2.60	2.02
Sasikala Properties LLP	Rent expense	0.85	0.86	1.26
Gland Celsus Bio Chemicals Private Limited	Sale of Vehicles	-	-	0.63
Fellow subsidiary				
Chongqing Pharmaceutical Research Institute Co., Ltd.	Purchase of raw material	-	-	45.12
Chongqing Pharmaceutical Research Institute (Changshou) Co., Ltd.	Purchase of raw material	-	-	30.32
Chongqing Pharmaceutical Research Institute (Changshou) Co., Ltd.	Reimbursement of expense	1.62	-	-
Jiangsu Wanbang Biopharmaceutical Company Limited	Purchase of raw material	85.20	240.09	-
Jiangsu Wanbang Biopharmaceutical Company Limited	Sale of service	-	6.10	-
Jiangsu Wanbang Biopharmaceutical Company Limited	Sale of goods	3.99	-	-
Jiangsu Wanbang Biopharmaceutical Company Limited	Reimbursement of expense	1.62	-	-
Fosun Pharma USA Inc.	Sale of goods	407.92	-	-
Fosun Pharma USA Inc.	Sale of service	201.48	-	
Fosun Pharma USA Inc.	Rates & Taxes	34.29	36.09	-
Guilin Pharmaceutical Co., Ltd.	Sale of goods	12.18	-	-
Guilin Pharmaceutical Co., Ltd.	Sale of service	2.81	-	-
Guilin Pharmaceutical Co., Ltd.	Reimbursement of expense	1.62	-	-
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	Sale of service	10.43	7.18	-
Jinzhou Aohong Pharmaceutical Co., Ltd.	Sale of service	13.34	-	-
Chongqing Carelife Pharmaceutical Co., Ltd.	Reimbursement of expense	1.62	-	-
Shanghai Henlius Biotech Inc.	Reimbursement of expense	1.62	-	-
Fosun Pharma Sp. z o.o.	Sale of service	0.67	-	-
Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.	Sale of goods	1.94	-	-
Key Management Personnel ^				
P.V.N. Raju	Remuneration	-	3.73	6.06
P.V.N. Raju	Rent expense	-	0.02	0.20
Dr. Ravi Penmetsa	Remuneration	2.49	99.79	78.13
Dr. Ravi Penmetsa	Employee separation compensation	-	200.00	-
K. Jhansi Lakshmi	Remuneration	-	-	3.22
K. Jhansi Lakshmi	Rent expense	-	-	0.68
B. Narasimha Rao	Remuneration	-	-	5.19
Srinivas Sadu	Remuneration	33.22	22.41	12.21
Srinivas Sadu	Employee stock option compensation expense	25.55	-	-
Ravi Shekhar Mitra	Remuneration	5.74	-	-
D. S. Brar	Sitting fee	-	-	0.02
Satyanarayana Murthy Chavali	Sitting fee	0.70	0.10	-
Satyanarayana Murthy Chavali	Commission	1.51	-	-
Moheb Ali Mohammed	Sitting fee	0.60	0.30	0.12
Moheb Ali Mohammed	Commission	1.51	-	-
Yiu Kwan Stanley Lau	Sitting fee	0.50	-	-
Yiu Kwan Stanley Lau	Commission	4.54	-	-
Udo J. Vetter	Sitting fee	0.20	-	-
P. Sampath Kumar	Remuneration	3.46	2.84	2.54
P. Sampath Kumar	Employee stock option compensation expense	1.70	-	-
Relatives of Key Management Personnel				
P. Suryakantham	Rent expense	-	0.02	0.20
K. Jhansi Lakshmi	Rent expense	0.84	0.86	0.68
K. Praveen Kumar	Rent expense	-	-	0.09
Nakul Penmetsa	Remuneration	-	-	1.75

Closing balances receivable/(payable) (Unsecured):

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Chongqing Pharmaceutical Research Institute Co., Ltd.	-	-	(34.77)
Chongqing Pharmaceutical Research Institute (Changshou) Co., Ltd.	-	-	(30.72)
Shanghai Fosun Pharmaceutical Industrial Development Co., Ltd.	-	7.21	-
Gland Chemicals Private Limited	(165.13)	(16.16)	(236.58)
Gland Chemicals Private Limited	-	-	31.07
Fosun Pharma USA Inc.	106.39	-	-
Fosun Pharmaceutical Distribution (Jiangsu) Co., Ltd.	2.07	-	-
Guilin Pharmaceutical Co., Ltd.	0.56	-	-
Jiangsu Wanbang Biopharmaceutical Company Limited	4.26	-	-
Dhananjaya Properties LLP	(0.22)	(0.21)	-
Sasikala Properties LLP	(0.07)	(0.06)	-
P.V.N. Raju	-	(1.74)	-
Dr. Ravi Penmetsa	(100.00)	(269.98)	(53.97)
Ravi Shekhar Mitra	(0.44)	-	-
P. Sampath Kumar	(0.08)	-	-
K. Jhansi Lakshmi	(0.06)	(0.06)	-
Yiu Kwan Stanley Lau	(3.47)	-	-
Moheb Ali Mohammed	(1.36)	-	-
Satyanaryana Murthy Chavali	(1.45)	-	-
Udo J. Vetter	(0.14)	-	-

^ As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management personnel and their relatives is not ascertainable and, therefore, not included above.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

34 Research and development

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue expenditure (including depreciation)	909.32	880.23	570.96
Capital expenditure	12.55	85.58	43.89
	921.87	965.81	614.85

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

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35 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(A) Judgements, estimates and assumptions

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

(i) Defined employee benefit plans (Gratuity)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. Further details about gratuity obligations are given in note 30.

(ii) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives and residual values of all its property, plant and equipment estimated by the management. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of property, plant and equipment.

(iii) Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

(iv) Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset). Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

(v) 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.

(vi) Share based payment

The Company measures the cost of equity-settled transactions with employees using Black Scholes Model. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 31.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair value		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised						
Loans and others	225.12	138.00	97.92	225.12	138.00	97.92
Trade receivables	6,017.85	5,061.00	4,752.10	6,017.85	5,061.00	4,752.10
Cash & cash equivalents	1,694.97	2,364.02	3,728.41	1,694.97	2,364.02	3,728.41
Bank balances other than above	11,556.96	5,169.47	2,979.98	11,556.96	5,169.47	2,979.98
Financial liabilities at amortised cost:						
Borrowings (including current maturities)	49.60	54.90	59.15	49.60	54.90	59.15
Trade payables	2,490.94	4,461.98	2,918.11	2,490.94	4,461.98	2,918.11
Other liabilities	321.46	377.04	532.08	321.46	377.04	532.08

The management assessed that cash and cash equivalents including bank balances other than cash and cash equivalent, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

37 Financial risk management objectives and policies

Financial risk management framework

The Company is exposed primarily to credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

A Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk, except for trade receivables.

Trade receivables

The customer credit risk is managed by the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the individual credit limits are defined in accordance with this assessment and outstanding customer receivables are regularly monitored. The Company's receivables turnover is quick and historically, there were no significant defaults on account of any customer in the past. Ind AS requires an entity to recognise in statement of profit and loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised in accordance with Ind AS 109. The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information.

Before accepting any new customer, the Company uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed on periodic basis.

Exposure to credit risk:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was Rs. 6017.85 for March 31, 2020, Rs. 5,061.00 for March 31, 2019, Rs. 4,752.10 for March 31, 2018 being the total of the carrying amount of balances with trade receivables.

B Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	Up to 1 Year	1 to 3 years	3 to 5 years	> 5 years	Total
March 31, 2020:					
Borrowings (including current maturities)	8.91	2.55	12.70	25.44	49.60
Trade payables	2,490.94	-	-	-	2,490.94
Other payables	313.12	4.78	5.70	0.75	324.35
	2,812.97	7.33	18.40	26.19	2,864.89
March 31, 2019:					
Borrowings (including current maturities)	5.30	10.33	6.73	32.54	54.90
Trade payables	4,461.98	-	-	-	4,461.98
Other payables	367.54	4.56	8.09	0.75	380.94
	4,834.82	14.89	14.82	33.29	4,897.82
March 31, 2018:					
Borrowings (including current maturities)	4.26	14.21	2.48	38.20	59.15
Trade payables	2,918.11	-	-	-	2,918.11
Other payables	521.76	4.08	7.50	3.74	537.08
	3,444.13	18.29	9.98	41.94	3,514.34

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C Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

C1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss, other comprehensive income and equity, where any transaction references more than one currency or where assets / liabilities are denominated in a currency other than the functional currency of the respective entities.

(a) Details of foreign currency risk from non-derivative financial instruments:

The year end foreign currency exposures that have not been hedged by a derivative instrument are as under -

	Currency	As at March 31, 2020			As at March 31, 2019			As at March 31, 2018		
		Amount in foreign currency	Amount in Rs.	Conversion rate	Amount in foreign currency	Amount in Rs.	Conversion rate	Amount in foreign currency	Amount in Rs.	Conversion rate
Cash and cash equivalents	USD	17.32	1,302.21	75.20	18.66	1,281.58	68.69	15.94	1,032.73	64.79
	EURO	0.00	0.25	82.63	0.22	16.81	76.89	0.01	0.62	79.63
	RMB	0.03	0.36	10.60	-	-	-	-	-	-
Trade receivables	USD	69.52	5,227.92	75.20	61.54	4,227.26	68.69	64.98	4,210.05	64.79
	EURO	0.05	4.13	82.63	0.03	2.14	76.89	0.16	12.46	79.63
	AUD	0.15	6.79	46.28	0.01	0.45	48.50	0.09	4.29	49.47
	CAD	0.73	38.46	52.83	1.47	75.13	50.97	0.33	16.58	50.00
Trade payables	USD	10.77	815.07	75.71	30.44	2,111.02	69.35	16.33	1,067.15	65.35
	EURO	1.01	84.34	83.73	3.16	246.79	78.17	2.58	208.80	80.90
	GBP	-	-	-	0.00	0.06	90.91	-	-	-
	YEN	-	-	-	-	-	-	1.95	1.20	0.62
Capital creditors	USD	1.22	92.26	75.71	0.27	18.88	69.35	0.80	52.16	65.35
	EURO	0.22	18.38	83.73	0.29	22.80	78.17	0.11	9.03	80.90

(b) Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in exchange rate		Effect on profit before tax	
	Increase	Decrease	Increase/(Decrease)	
March 31, 2020				
USD	1.00%	1.00%	56.23	(56.23)
EURO	1.00%	1.00%	(0.98)	0.98
March 31, 2019				
USD	1.00%	1.00%	33.79	(33.79)
EURO	1.00%	1.00%	(2.51)	2.51
March 31, 2018				
USD	1.00%	1.00%	41.23	(41.23)
EURO	1.00%	1.00%	(2.05)	2.05

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

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38 Impact of COVID-19 Outbreak

The outbreak of COVID-19 in many countries has brought about disruptions to businesses around the world and uncertainty to the global economy, which had some impact on the Company's supply chain during March, 2020. The Company is closely monitoring the impact of the pandemic on all aspects of it's business, including how it will impact its customers, employees, vendors and business partners. The Company based on the information available to date, both internal and external, considered the uncertainty relating to the COVID-19 pandemic in assessing the impact. Based on the current estimates, the Company expects to fully recover the carrying amount of assets and do not foresee any impact on its operations. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020, March 31, 2019 and March 31, 2018.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

40 Commitments and contingencies

a. Commitments

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on	1,227.06	1,504.31	312.30
Other commitments	Nil	Nil	Nil

b. Contingent liabilities

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
(i) Outstanding bank guarantees (excluding performance obligations)	14.58	24.32	22.51
(ii) Claims against the Company not acknowledged as debts*	29.90	31.44	33.39
(iii) Demand for direct taxes	16.76	0.86	9.63
(iv) Demand for indirect taxes			
Excise duty	-	4.44	4.44
Entry tax	47.01	47.01	44.41
Service tax	4.79	98.31	83.04
Value Added Tax and CST	5.30	5.30	1.73
Sales tax	-	-	0.99

(v) Provident Fund

There are numerous interpretative issues relating to the Supreme Court (SC) judgement on Provident Fund (PF) dated 28th February, 2019. As a matter of caution, the Company has accordingly made the payments for the current year. The Company will update its position, on receiving further clarity on the subject.

*In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. The Company is contesting these demands and the management, including its advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for the demands raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

The Company's business involves Governmental and/or regulatory inspections, inquiries and commercial maters that arise from time to time in the ordinary course of business. The same are subject to uncertain future events not wholly within the control of the Company. The management does not expect the same to have materially adverse effect on its financial position, as it believes the likelihood of any loss is not probable.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

41 First time adoption of Ind AS 116-"Leases"

IND AS 116 – "Leases", the new accounting standard came into effect from April 01, 2019. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise leases on the balance sheet. The Company adopted Ind AS 116 using modified retrospective method of adoption.

The new accounting standard had the following major impact :

- No economic impact on the business;
- Accounting shifted from off balance sheet model to on balance sheet model
- "Right-of-Use" ("RoU") asset is recognised as present value of future fixed rentals and corresponding "Lease liability"
- Depreciation of Right-of-use assets on a straight-line basis over the lease period;
- Operating lease expense (fixed lease payment excluding taxes on the same) will be replaced by depreciation and finance cost.

Statement showing impact of adoption of Ind AS 116 for year ended March 31, 2020 is as follows:-

	Foot notes	As at March 31, 2020		
		Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Assets				
Non-current assets				
Right-of-use assets	A	-	9.51	9.51
Equity				
Other equity	C	36,308.15	(0.75)	36,307.40
Non-current liabilities				
Other financial liabilities	B	105.61	9.25	114.86
Deferred tax liabilities (net)	D	740.79	(0.25)	740.54
Current liabilities				
Other financial liabilities	B	302.53	1.26	303.79

Had the Company continued with the earlier standard, the depreciation expense, finance cost and other expenses would have been lower by Rs. 1.90, Rs. 1.01 and higher by Rs. 1.91 respectively for the year ended March 31, 2020.

Statement showing impact of adoption of Ind AS 116 on statement of cash flows

	For the year ended March 31, 2020		
	Excluding impact of Ind AS 116	Impact due to adoption of Ind AS 116	As per financial statements
Cash flows from operating activities	7,007.44	1.91	7,009.35
Cash flows from financing activities	(66.80)	(1.91)	(68.71)

Footnotes to Impact of Adjustments

(A) Right-of-use asset are recognised and presented separately in the restated Ind AS Summary Statement of assets and liabilities.

(B) Lease liabilities are recognised in accordance with Ind AS 116 and shown as financial liabilities in the restated Ind AS Summary Statement of assets and liabilities.

(C) Retained earnings has decreased due to impact of Ind AS 116 adjustments.

(D) Deferred tax on temporary difference arising on recognition and measurement of right-of-use asset and lease liability.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

42 Leases

(a) Company as a lessee

The Company has lease contracts for factory land and office premises. Lease contract for factory land is having a lease term of 15 years. The leases for office premises are having a term of 12 months or less and hence the Company has applied short term exemption towards it.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year :

	Amount
As at April 01, 2017	12.87
Additions / deletions	-
Depreciation expense	(1.60)
As at March 31, 2018	11.27
Additions / deletions	-
Depreciation expense	(1.61)
As at March 31, 2019	9.66
Ind AS 116 transition adjustments (refer Annexure VI, Part B)	1.75
As at April 01, 2019	11.41
Additions / deletions	-
Depreciation expense	(1.90)
As at March 31, 2020	9.51

Set out below are the carrying amounts of lease liabilities and the movements during the year :

	Amount
As at April 01, 2017	12.87
Accretion of interest	1.17
Payments	(1.81)
As at March 31, 2018	12.23
Accretion of interest	1.09
Payments	(1.91)
As at March 31, 2019	11.41
Accretion of interest	1.01
Payments	(1.91)
As at March 31, 2020	10.51

Maturity analysis of lease liabilities is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Within one year	2.17	1.91	1.91
After one year but not more than three years	4.78	4.56	4.08
After three years but not more than five years	5.70	8.09	7.50
More than five years	0.75	0.75	3.74
	13.40	15.31	17.23

The following are the amounts recognised in profit or loss:

	As at March 31, 2020	As at March 31, 2019	As at March 31, 2018
Depreciation on right-of-use assets	1.90	1.61	1.60
Interest expense on lease liabilities	1.01	1.09	1.17
Expense relating to short-term leases (included in other expenses)	7.60	8.07	23.03
Total amount recognised in Restated Ind AS Summary Statement of profit and loss	10.51	10.77	25.80
Total cash outflows for the year towards leases	9.51	9.98	24.84

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

43 Segment reporting

Segments are identified in line with Indian Accounting Standard (Ind AS) 108 "Operating Segments", taking into consideration the internal organisation and management structure as well as the differential risk and returns of each of the segments.

Based on the Company's business model of vertical integration, pharmaceuticals have been considered as a single business segment for the purpose of making decisions on allocation of resources and assessing its performance. Hence, no separate financial disclosures provided in respect of its single business segment.

The geographic information analyses the Company's revenues and non-current assets by the country of domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets.

(a) Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018
USA	17,575.37	12,776.98	11,563.27
India	4,672.01	3,877.52	3,000.13
Europe	1,168.68	1,100.07	550.15
Canada	469.12	229.92	174.99
Australia	131.41	88.87	111.46
Rest of World (ROW)	2,315.81	2,368.67	828.93
Total	26,332.40	20,442.03	16,228.93

(b) The Company has entire non current assets with in India. Hence, separate figures have not been furnished.

(c) Customer contributing more than 10 % of Revenue

	No. of customers	Amount
For the year ended March 31, 2020	2	7,037.82
For the year ended March 31, 2019	2	4,854.76
For the year ended March 31, 2018	1	2,610.48

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

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44 Exceptional items

Employee separation compensation
In the year ended March 31, 2019, the Board of Directors had approved the discontinuance of service of Dr. Ravi Penmetsa as MD and CEO on a mutual consent basis. As part of the employment agreement an amount of Rs. 200 has been approved by the Board of directors.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

45 On May 11, 2018, the Company had acquired 100% of shares i.e., 1 share and voting interest free of cost in Gland Pharma Pte. Limited, Singapore ('Gland – Singapore). Pursuant to the letter received from Reserve Bank of India (RBI) subsequently against the acquisition of securities, the Company had remitted back this share for unwinding the acquisition during the year ended March 31, 2020. Based on the opinion received from the experts, the Company is of the view that Gland Singapore is not a subsidiary as the acquisition is void-ab-initio and accordingly the consolidated financial statements for the year ended March 31, 2020 and March 31, 2019 are not required to be prepared.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

46 The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Law (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and re-measured its deferred tax assets and liabilities basis the reduced tax rate prescribed in the said section. The impact of above change recognised in the statement of profit and loss for the year ended March 31, 2020 is Rs. 301.11.

The above statement should be read with Annexure V and Annexure VI to the Restated Ind AS Summary Statements.

47 Subsequent events
No significant subsequent events have been observed which may require an adjustment to the balance sheet.

As per our report of even date attached

for S.R.BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number : 101049W / E300004

per Navneet Rai Kabra
Partner
Membership No. 102328

Place: Hyderabad
Date: June 18, 2020

for and on behalf of the Board of Directors
Gland Pharma Limited

Srinivas Sadu
Managing Director and
Chief Executive Officer
DIN: 06900659

Moheb Ali Mohammed
Independent Director
DIN: 00699254

P. Sampath Kumar
Company Secretary

Ravi Shekhar Mitra
Chief Financial Officer

Place: Hyderabad
Date: June 18, 2020

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 year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Basic earnings per share^ (in ₹)	49.88	29.16	20.72
Diluted earnings per share^ (in ₹)	49.88	29.16	20.72
Return on net worth (%)	21.20%	15.79%	13.32%
Net asset value per share (in ₹)	235.32	184.71	155.56
EBITDA (in ₹ million)	10,946.35	7,920.67	5,840.75

Notes: *The ratios have been computed as under:*

1. *Basic and diluted EPS: Restated profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding at the end of the year. Basic and diluted EPS are computed in accordance with Ind AS 33 - Earnings per share.*

^ *Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. Basic and diluted EPS and net asset value per share are considered post sub-division.*

2. *Return on net worth %: Restated profit for the year attributable to equity shareholders of the Company divided by net worth as attributable to equity shareholders of the Company at the end of the year.*

3. *Net worth = net worth means the aggregate value of equity share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

4. *Net assets value per share (in ₹): Net asset value per share is calculated by dividing net worth by number of equity shares outstanding at the end of the year.*

5. *EBITDA = EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year.*

6. *Accounting and other ratios are derived from the Restated Financial Information.*

Non-GAAP financial measures

This section includes certain Non-GAAP financial measures relating to our financial performance (together, "Non-GAAP financial measures" and each a "Non-GAAP financial measure"), as presented below. These Non-GAAP financial measures are not required by or presented in accordance with Indian GAAP.

Reconciliation of non-GAAP measures

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus, EBITDA, net debt/ (net cash), return on net worth, return on capital employed, net asset value per share and debt equity ratio are given below:

Reconciliation of EBITDA

(₹ in million)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Restated profit for the year (I)	7,728.58	4,518.56	3,210.51
Total tax expense (II)	2,200.08	2,344.22	1,804.14
Exceptional items (III)	-	200.00	-
Depreciation expense (IV)	945.87	821.20	783.68
Finance expense (V)	71.82	36.69	42.42
EBITDA (I+II+III+IV+V)	10,946.35	7,920.67	5,840.75

Reconciliation of Net debt/ (net cash)

(₹ in million)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Non-current borrowings (I)	40.69	49.60	54.89
Current maturities of non-current borrowings (II)	8.91	5.30	4.26
Total borrowings III = (I+II)	49.60	54.90	59.15
Cash and cash equivalents (IV)	1,694.97	2,364.02	3,728.41
Bank balances other than cash and cash equivalents (V)	11,556.96	5,169.47	2,979.98
Net Debt / (Net Cash) (VI=III-IV-V)	(13,202.33)	(7,478.59)	(6,649.24)

Reconciliation of return on net worth

(₹ in million)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Equity share capital (I)	154.95	154.95	154.95
Other equity (II)	36,307.40	28,465.04	23,948.64
Net worth (III)=(I+II)	36,462.35	28,619.99	24,103.59
Restated profit for the year (IV)	7,728.58	4,518.56	3,210.51
Return on net worth (IV/(I+II))	21.20%	15.79%	13.32%

Reconciliation of return on capital employed

(₹ in million)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Total assets (I)	40,860.39	35,235.49	29,294.68
Current liabilities (II)	3,590.23	5,327.69	3,791.89
Capital employed (III=I-II)	37,270.16	29,907.80	25,502.79
Restated profit for the year (IV)	7,728.58	4,518.56	3,210.51
Return on capital employed (V=IV/III)	20.74%	15.11%	12.59%

Reconciliation of net asset value per share

(₹ in million, except share data)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Equity share capital (I)	154.95	154.95	154.95
Other equity (II)	36,307.40	28,465.04	23,948.64
Net worth (III)=(I+II)	36,462.35	28,619.99	24,103.59
Number of equity shares (IV)	154,949,490	154,949,490	154,949,490
Net asset value per share (V= (I+II)/IV)	235.32	184.71	155.56

Note: Our Company has, pursuant to a Board resolution dated December 23, 2019 and Shareholders resolution dated March 17, 2020, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. Net asset value per share is considered post sub-division.

Reconciliation of debt equity ratio

(₹ in million)

	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2018
Non-current borrowings (I)	40.69	49.60	54.89
Current maturities of non-current borrowings (II)	8.91	5.30	4.26
Total borrowings III = (I+II)	49.60	54.90	59.15
Equity share capital (IV)	154.95	154.95	154.95
Other equity (V)	36,307.40	28,465.04	23,948.64
Equity (VI)=(IV+V)	36,462.35	28,619.99	24,103.59
Debt equity ratio (VII=III/VI)	0.001	0.002	0.002

In accordance with the SEBI ICDR Regulations the audited financial statements of the Company for the financial year ended March 31, 2020, March 31, 2019 and March 31, 2018 (collectively, the "**Audited Financial Statements**") are available on our website at https://glandpharma.com/investors/financials.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision.

None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from 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 Fiscal 2020, 2019 and 2018 and as reported in the Restated Financial Information, see "*Financial Statements – Annexure VII – Notes to Restated Ind AS Summary Statements*" beginning on page 228.

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

You should read the following discussion of our financial condition and results of operations together with our Restated Financial Information, which are included in this Draft Red Herring Prospectus. Unless the context requires otherwise, the following discussion and analysis of our financial condition and results of operations as of and for Fiscals 2020, 2019 and 2018 is derived from our Restated Financial Information, including the related notes, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and ICAI guidance, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "Risk Factors" and "Forward Looking Statements" beginning on pages 21 and 20, respectively, and elsewhere in this Draft Red Herring Prospectus.

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular Fiscal are to the 12 months ended March 31 of that year.

Overview

We are one of the fastest growing generic injectables-focused companies by revenue in the United States from 2014 to 2019 (Source: IQVIA Report). We sell our products primarily under a business to business ("B2B") model in over 60 countries as of March 31, 2020, including the United States, Europe, Canada, Australia, India and the Rest of the world. We have a consistent compliance track record with a range of regulatory regimes across these markets. We also have an extensive track record in complex injectables development, manufacturing and marketing and a close understanding of the related sophisticated scientific, technical and regulatory processes. We were established in Hyderabad, India in 1978 and have expanded from liquid parenterals to cover other elements of the injectables value chain, including contract development, own development, dossier preparation and filing, technology transfer and manufacturing across a range of delivery systems. We have a professional management team and one of our Promoters, Shanghai Fosun Pharma, is a global pharmaceutical major.

Significant Factors Affecting Our Results of Operations

The following is a discussion of certain factors that have had, and continue to have, a significant effect on our financial results:

Pharmaceutical regulatory framework in our markets

Our income is significantly dependent on the portfolio of products we can sell in different markets. Our product approvals and registrations therefore constitute an important factor for our results of operations. Our operations in United States, Europe, Canada and Australia are subject to extensive regulation with respect to the marketing and sale of our products. We must ensure that government and other regulatory agencies do not withdraw marketing approvals for sales of our existing products and continue to approve our new products for sale in a timely manner and our manufacturing facilities remain approved by the relevant regulators.

New product launches in different markets

We are present in sterile injectables, including oncology and ophthalmics, and focus on high value generics, such as complex molecules, First-to-File products and 505(b)(2) filings for new drug applications. We have established a portfolio of injectable products across various therapeutic areas and delivery systems and we offer an array of injectables developed independently by us. We expect our revenue to continue to grow due to both continued commercial success of our existing products and the launch of new products. The timing of new product launches will have a significant impact on our results of operations.

As of March 31, 2020, we along with our partners had 265 ANDA filings in the United States, of which 204 were approved and 61 pending approval. The 265 ANDA filings comprise 189 ANDA filings for sterile injectables, 50 for oncology and 26 for ophthalmics related products. Out of these 265 ANDA filings, 100 represent ANDAs owned by us, of which 63 ANDA filings are approved and 37 are pending approval. The specific timing of our new product launches is subject to a variety of factors, some of which are beyond our control, including the timing of USFDA approval for ANDAs currently under review or that we file with respect to new products.

Product development and manufacturing

Our ability to develop and manufacture products is critical to launch new products and grow revenues. To grow our product portfolio we need to continually invest in research and development to add to our existing offering and improve our technology. Our centralised R&D laboratory is located at our manufacturing facility at Dundigal, Hyderabad with supporting personnel based at each of our manufacturing facilities. The centralised R&D laboratory has an in-house team of approximately 250

scientists including PhDs, pharmacy post graduates and chemists with expertise in synthesis of low molecular weight injectables drugs, steroids and oncology drugs.

Our results of operations also depend on our ability to manufacture existing and new products for sale in India and abroad. Our manufacturing process is designed to facilitate production flexibility and deliver high and consistent product quality. We consider that diversification of our product portfolio across our multiple manufacturing units mitigates our exposure to regulatory risk with respect to any particular manufacturing unit and provides increased certainty of supply. Accordingly, we are expanding our manufacturing capacity in order to increase our product development and manufacturing capabilities. We are in the process of commissioning additional capacity to support our future portfolio of complex injectables including suspensions, cartridges and hormonal products. Expansion is also planned at our oncology facility.

Business models

Our primary business model is B2B, covering IP-led, technology transfer and contract manufacturing models, complemented by a B2C model in our growing home market of India. For further details of our business models, please refer to the section titled "*Our Business – Business Models and Customers*" on page 132 of this Draft Red Herring Prospectus. We consider that our B2B business model enables us to more effectively grow in the United States, Europe, Canada and Australia and help us to balance profitability and capacity utilisation. Accordingly, we are focused on maintaining our relationships with our current marketing partners and establishing new business relationships with customers to continue to grow our B2B business model. In our domestic market, we are leveraging our brand strength and sales network in engaging in direct marketing. We require our business models to continue to operate effectively in order to drive our business and results.

Revenue from sale of goods and services

Revenue from sale of goods and services constitutes a significant portion of our revenue from operations. Our revenue from sale of goods constituted 88.18% of our total revenue from operations and our revenue from sale of services constituted 9.49% of our total revenue from operations in Fiscal 2020. Accordingly, our ability to manage and sustain customer relationships is critical. Our top five customers accounted for 49.92%, 47.86% and 48.86%, respectively, of our total revenue from operations in Fiscals 2018, 2019 and 2020.

The demand for our products from our key customers determines our revenue from operations and profitability. Increased sales by our customers tend to increase our revenue and results of operations. The volume of sales of goods and services to our customers may vary due to our customers' efforts to manage their inventory, market demand, product and supply pricing trends and customer preferences, among others, which may result in a decrease in demand for products of which we are a supplier, affecting our sales and results of operations.

Production costs

Our ability to maintain our cost competitiveness is dependent on efficient management of our production costs. These include achieving supply chain efficiencies through lifecycle management of products, including in the R&D, regulatory compliance and manufacturing processes such as by shifting manufacturing lines, managing optimal inventory levels, and timely filings of applications for newer and cheaper APIs and components sourced externally. Any change in these costs due to various factors, several of which may be outside our control, may affect our results of operations. Our business also requires efficient supply chain management backed by our APIs production capacity. We need to maintain our vertical integration to manage production costs.

Currency rates

Our products are typically priced in Indian Rupees for Indian sales, in U.S. Dollars for sales in the United States, in Euros for sales in the European Union, Canadian Dollars for sales in Canada and in the local currency of the other jurisdictions where we sell our products. A significant portion of our costs are incurred in Rupees. As a consequence, we are exposed to currency rate fluctuations between the Rupee and the U.S. Dollar, Euro, Canadian Dollars, and other local currencies in jurisdictions where our products are sold.

Significant Accounting Policies

(a) **Foreign currencies**

The financial statements are presented in Indian rupees, which is our functional currency and the currency of the primary economic environment in which we operate.

(i) Transactions and balances

We record transactions in foreign currencies initially at our functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

(b) **Revenue recognition**

We recognise revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We have generally concluded that we are the principal in our revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

(i) Sale of products

We recognise revenue from sale of goods at the point in time when control of the goods is transferred to the customer and is net of trade discounts, sales returns, sales tax, GST, where applicable, and the additional amount in case of exclusive arrangement, is recognised based on the terms of the agreement entered into with the customers, in the period when the collectability of the profit share becomes probable and a reliable measure of the profit share is available. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on dispatch to the customer.

(ii) Sale of services

We recognise revenue from sale of dossiers/licenses/services is recognised in accordance with the terms of the relevant agreements as accepted and agreed with the customers and net of GST, where applicable.

These arrangements typically consist of an initial up-front payment on inception of the agreement and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front amounts received in connection with these agreements are deferred and recognised over the period in which we have pending performance obligations. Milestone payments which are contingent on achieving certain milestones are recognised as revenues either on achievement of such milestones or over the performance period depending on the terms of the contract.

(iii) Contract balances

(A) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If we perform by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

(B) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which we have received consideration (or the amount is due) from the customer. If a customer pays consideration before we transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when we perform under the contract.

(C) Trade receivables

A receivable represents our right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)**.**

(iv) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

(v) Export benefits, incentives and licenses

Export benefits on account of duty drawback and export promotion schemes are accrued and accounted in the period of export, and are included in other operating revenue.

(c) **Taxes**

(i) Current income tax

We measure current income tax assets and liabilities at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where we operate and generate taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

We recognise deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. We recognise deferred tax assets to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

We review the carrying amount of deferred tax assets at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

We measure deferred tax assets and liabilities at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

(A) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable, and

(B) When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(d) **Property, plant and equipment**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, we depreciate them separately based on their specific useful lives. Likewise, when a major inspection is performed, its

cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Depreciation

We calculate depreciation on fixed assets on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

Asset	Useful lives estimated by the management (years)
Buildings	30
Tube wells	5
Plant and Equipment	8-20
Laboratory Equipment	10
Office Equipment	5
Furniture and fixtures	5-10
Vehicles	8-10
Computers	3-6

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial period end and adjusted prospectively, if appropriate.

(e) **Leases**

We assess at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

(i) the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

(ii) we have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

(iii) we have the right to direct the use of the asset. We have this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, we have the right to direct the use of the asset if either we have the right to operate the asset; or we designed the asset in a way that predetermines how and for what purpose it will be used.

For preparation of the Restated Financial Information, we have adopted Ind AS 116 using the modified retrospective approach. We also elected to use the transitional practical expedient to not reassess whether a contract is or contains a lease at April 1, 2017.

Company as a lessee

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of use assets

We recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and

adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, deferred lease components of security deposits and lease payments made at or before the commencement date less any lease incentives received. Unless we are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment Refer to the accounting policies in section (s) Impairment of non-financial assets

Lease liabilities

At the commencement date of the lease, we recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by us and payments of penalties for terminating a lease, if the lease term reflects our exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, we use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

We apply the short-term lease recognition exemption to our short-term leases (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). It also applies the lease of low-value assets recognition exemption to leases of office equipment's that are low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense in statement of profit and loss on straight line basis

(f) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on First in First Out (FIFO) basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

(i) Raw materials and packing material: Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

(iii) Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

(iv) Stores and spares and consumables are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(g) **Impairment of non-financial assets**

We assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, we estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions

can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

We base our impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of our CGUs to which the individual assets are allocated.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, we estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(h) **Provisions**

Provisions are recognised when we have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When we expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

(i) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. We have no obligation, other than the contribution payable to the provident fund. We recognise contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

We operate a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment, and the date that we recognise related restructuring costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. We recognise the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income.

We treat accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on an actuarial valuation using the projected unit credit method at the period-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. We present the

entire liability in respect of leave as a current liability in the balance sheet, since we do not have an unconditional right to defer our settlement beyond 12 months after the reporting date.

(j) **Share-based payments**

Some of our employees (including senior executives) receive remuneration which includes share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

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.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of our best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(k) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet 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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of our cash management.

(l) **Research and development**

Revenue expenditure on research and development is charged to Statement of Profit and Loss in the period in which it is incurred. Property, plant and equipment purchased for research and development is added to property, plant and equipment and depreciated in accordance with our policies.

(m) **Earnings per share**

Basic earnings per share are 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 amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity Shares outstanding during the year plus the weighted average number of Equity Shares that would be issued on conversion of all the dilutive potential Equity Shares into Equity Shares.

(n) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief executive officer is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as chief operating decision maker.

Income and Expenditure

Our income and expenditure is reported in the following manner:

Income: Our income comprises of revenue from operations and other income.

Revenue from operations

Our revenue from operations comprises of revenue from sale of goods and sale of services as well as other operating income. Sale of goods primarily consist of the sale of injectables in India and outside India. Sale of services consists of contract development and manufacturing organisation (CDMO) and contract manufacturing organisation (CMO) services and licensing fee received in India and outside India. Other operating income primarily consists of export incentives received in the form of cash incentives and import licenses.

Revenue from operations is disclosed net of goods and services tax ("**GST**"), returns and trade discounts.

The following table sets forth our revenue from operations based on the location of our customers for the periods specified, per Ind AS 108 – Operating Segments:

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
United States	17,575.37	12,776.98	11,563.27
India	4,672.01	3,877.52	3,000.13
Europe	1,168.68	1,100.07	550.15
Canada	469.12	229.92	174.99
Australia	131.41	88.87	111.46
Rest of the world	2,315.81	2,368.67	828.93
Total	**26,332.40**	**20,442.03**	**16,228.93**

Our revenue from operations is diversified by our business models. Our primary business models in the India market are B2C and B2B CMO, and in the United States, Europe, Canada and Australia as well as the Rest of the world are B2B IP-led and B2B technology transfer. For further details, see "*Business – Business Models and Customers*" on page 132.

Other income

Our other income primarily comprises interest income on fixed deposits with banks, profit on the sale of property, plant and equipment, net foreign exchange gain and miscellaneous income.

Expenses: Our expenses comprises cost of materials consumed, purchase of traded goods, changes in inventories of finished goods, stock-in-trade and work-in-progress, excise duty on sale of goods, power and fuel, employee benefits expense, finance expense, depreciation expense and other expenses.

Cost of materials consumed

Our cost of materials consumed primarily consists of purchase of raw materials including APIs that are not produced in-house by us, intermediates, primary packaging materials, such as glass ampoules, vials, glass bottles, PVC and non-PVC bags or films, rubber stoppers, secondary packaging materials and tubes and filters.

Purchase of traded goods

Our purchase of traded goods primarily consists of injectables and oral products for our B2C business in India.

(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

Changes in inventories of finished goods, stock-in-trade and work-in-progress represent the net increase or decrease in finished goods, work in progress and stock-in-trade at the beginning of the period or year and end of the period or year.

Excise duty on sale of goods

Excise duty on sale of goods is the duty paid to the Government of India on the manufacture of our goods. With the implementation of GST from July 1, 2017, excise duty, VAT, service tax and other indirect tax have been replaced with GST.

Payment of excise duty was made until June 30, 2017 for Fiscal 2018, before the GST regime took effect. Accordingly, sales for Fiscals 2020 and 2019 are not comparable with those of the previous year presented.

Power and fuel

Power and fuel expenses consist of the purchase of power and fuel for the generation of steam and power for captive consumption for our manufacturing operations.

Employee benefits expense

Employee benefits expense consists of employee salary and wages, contribution to provident and other funds, staff welfare expenses and employee stock option compensation expenses.

Depreciation expense

Depreciation expense consists of depreciation of tangible assets, properties, buildings, plant and equipment and right-of-use assets. For the years presented we had no amortisation expense.

Finance expense

Finance expense primarily consists of interest expense on our borrowings and other interest charges which mainly include interest on closure of advance licenses and bank charges.

Other expenses

Other expenses primarily consist of rates and taxes, including our ANDA and product registration filing costs, consumption of stores and spares, comprising consumables used indirectly for production and utilities, quality control expenses, research and development consumables, repairs and maintenance to plant and machinery, buildings and others, carriage outwards insurance, legal and professional charges and other miscellaneous expenses.

Results of operations

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Income			
Revenue from operations	26,332.40	20,442.03	16,228.93
Other income	1,391.68	855.64	487.89
Total Income	**27,724.08**	**21,297.67**	**16,716.82**
Expenses			
Cost of materials consumed	10,902.54	9,548.91	7,182.98
Purchase of traded goods	186.73	162.84	91.22
(Increase) in inventories of finished goods, stock-in-trade and work-in-progress	(69.04)	(1,141.54)	(666.66)
Excise duty on sale of goods	-	-	29.52
Power and fuel	785.00	740.34	603.52
Employee benefits expense	2,776.62	2,229.49	1,790.80
Depreciation expense	945.87	821.20	783.68
Finance expense	71.82	36.69	42.42
Other expenses	2,195.88	1,836.96	1,844.69
Total Expenses	**17,795.42**	**14,234.89**	**11,702.17**
Restated profit before exceptional items and tax	**9,928.66**	**7,062.78**	**5,014.65**
Exceptional items			
Employee separation compensation	-	200.00	-
Restated profit before tax	**9,928.66**	**6,862.78**	**5,014.65**
Tax expenses			
Current Tax	2,513.97	2,212.26	1,694.59
Deferred tax (credit)/charge	(318.21)	119.71	106.01
Taxes for earlier years	4.32	12.25	3.54
Total tax expense	**2,200.08**	**2,344.22**	**1,804.14**
Restated profit for the year	**7,728.58**	**4,518.56**	**3,210.51**

Fiscal 2020 compared to Fiscal 2019

Income

Revenue from operations

Our revenue from operations increased by 28.81% to ₹26,332.40 million in Fiscal 2020 from ₹20,442.03 million in Fiscal 2019. This was primarily due to an increase in revenue from sale of goods by 30.35% to ₹23,219.58 million in Fiscal 2020 from ₹17,812.92 million in Fiscal 2019. Increased revenue arose primarily from an increase in export sales, particularly to the United States and Canada, driven by 51 new product launches in the United States, Europe, Canada and Australia. Key molecules contributing to an increase in export sales include predominantly Daptomycin as well as others such as Enoxaparin and Heparin Sodium.

In addition, our revenue from sale of services increased by 17.92% to ₹2,498.22 million in Fiscal 2020 from ₹2,118.55 million in Fiscal 2019. This was primarily due to an increase in export services due to our achieving certain specified milestones in the product development and filings process.

Our other operating income also increased by 20.38% to ₹614.60 million in Fiscal 2020 from ₹510.56 million in Fiscal 2019. This is primarily arising from an increase in export incentives in line with increased export sales.

Other income

Our other income increased by 62.65% to ₹1,391.68 million in Fiscal 2020 from ₹855.64 million in Fiscal 2019. This was primarily due to an increase in net foreign exchange gain as a result of Rupee depreciation against the US dollar in Fiscal 2019, and to a lesser extent was also due to an increase in profit on the sale of unused freehold land and buildings.

Expenses

Our total expenses increased by 25.01% to ₹17,795.42 million in Fiscal 2020 from ₹14,234.89 million in Fiscal 2019. This was primarily due to increases in the cost of materials consumed and a relatively lower increase in inventories of finished goods, stock-in-trade and work-in-progress compared to Fiscal 2019.

Cost of material consumed

Our cost of material consumed increased by 14.18% to ₹10,902.54 million in the Fiscal 2020 from ₹9,548.91 million in Fiscal 2019. This was primarily due to an increase in the costs of raw materials and packaging materials consumed, driven by our increased manufacturing volumes as a result of new product launches and increased demand for certain molecules such as Enoxaparin, Daptomycin, Heparin, Bacitracin and Insulin.

Purchase of traded goods

Our purchase of traded goods increased by 14.67% to ₹186.73 million in Fiscal 2020 from ₹162.84 million in Fiscal 2019, primarily as a result of higher demand in the domestic market.

(Increase) in inventories of finished goods, stock-in-trade and work-in-progress

Our inventories of finished goods, stock-in-trade and work-in-progress increased by 2.66% to ₹2,664.19 million in Fiscal 2020 from ₹2,595.15 million in Fiscal 2019. This was primarily due to an increase in closing stock of finished goods, driven by customer demand for the month of April 2020.

Excise duty on sale of goods

We did not record any excise duty on sale of goods in Fiscal 2020 or Fiscal 2019, as the GST regime took effect on July 1, 2017.

Power and fuel

Our power and fuel expense increased by 6.03% to ₹785.00 million in Fiscal 2020 from ₹740.34 million in Fiscal 2019. This was primarily due to an increase in our production volumes from 66.50 million units in Fiscal 2019 to 83.73 million units in Fiscal 2020 at the manufacturing facility at Pashamayalaram.

Employee benefits expense

Our employee benefits expense increased by 24.54% to ₹2,776.62 million in Fiscal 2020 from ₹2,229.49 million in Fiscal 2019. This was primarily due to additional amounts of (i) ₹371.93 million on account of increases in salaries, wages and bonus; and (ii) ₹164.84 million on account of employee stock option expenses recorded in Fiscal 2020.

Depreciation expense

Our depreciation expense increased by 15.18% to ₹945.87 million in Fiscal 2020 from ₹821.20 million in Fiscal 2019. This was primarily due to an increase arising from capitalisation of additional plant and machinery and laboratory equipment during Fiscal 2020 in respect of our vial line I in our Pashamayalaram facility.

Finance expense

Our finance expense increased by 95.75% to ₹71.82 million in Fiscal 2020 from ₹36.69 million in Fiscal 2019. This was primarily due to an increase in interest expense, including interest on taxes (GST) and advance licences for duty free import of goods which is chargeable if we export less than the stipulated amount of goods under our export obligations.

Other expenses

Our other expenses increased by 19.54% to ₹2,195.88 million in Fiscal 2020 from ₹1,836.96 million in Fiscal 2019. This was primarily due to (i) an increase of ₹79.75 million in stores consumed to meet increased production needs, (ii) an increase of ₹66.63 million in quality control expenses due to an increase in sales, and (iii) an increase of ₹58.62 million in rates and taxes due to increase in ANDA filings from 12 to 15 and DMF filings from one to four as well as closure of pending service tax litigation. This increase was partially offset by decrease in bad debts written off in Fiscal 2020 in respect of two customers in Venezuela as a result of Venezuela's economic crisis. Subsequent to Fiscal 2019, we have not sold our products in Venezuela.

Exceptional items

We did not record any exceptional item in Fiscal 2020. We recorded an exceptional item of ₹200.00 million in Fiscal 2019; see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2019 compared to Fiscal 2018 – Exceptional items*".

Total tax expense

Our total tax expense decreased by 6.15% to ₹2,200.08 million in Fiscal 2020 from ₹2,344.22 million in Fiscal 2019. This was due to a decrease in our deferred tax charge, which decreased mainly due to the adoption of new concessional tax rate. This decrease was offset in part by an increase in our current tax expense, which was mainly due to an increase in profit before tax.

Restated profit for the year

Due to the factors discussed above, our restated profit for the year increased by 71.04% to ₹7,728.58 million in Fiscal 2020 from ₹4,518.56 million in Fiscal 2019.

Fiscal 2019 compared to Fiscal 2018

Income

Revenue from operations

Our revenue from operations increased by 25.96% to ₹20,442.03 million in Fiscal 2019 from ₹16,228.93 million in Fiscal 2018. This was primarily due to an increase in revenue from sale of goods by 25.39% to ₹17,812.92 million in Fiscal 2019 from ₹14,206.44 million in Fiscal 2018. Increased revenue arose primarily from an increase in export sales, particularly to Brazil, driven by 45 new launches in the United States, Europe, Canada and Australia. Key molecules contributing to an increase in export sales include Enoxaparin, Daptomycin and Vancomycin.

In addition, our revenue from sale of services increased by 30.47% to ₹2,118.55 million in Fiscal 2019 from ₹1,623.73 million in Fiscal 2018. This was primarily due to an increase in export services due to our achieving certain specified milestones in the product development and filings process.

Our other operating income also increased by 28.04% to ₹510.56 million in Fiscal 2019 from ₹398.76 million in Fiscal 2018. This was primarily due to an increase in export incentives in line with increased export sales.

Other income

Our other income increased by 75.38% to ₹855.64 million in Fiscal 2019 from ₹487.89 million in Fiscal 2018. This was primarily due to increases in net foreign exchange gain and interest on fixed deposits.

Expenses

Our total expenses increased by 21.64% to ₹14,234.89 million in Fiscal 2019 from ₹11,702.17 million in Fiscal 2018. This was primarily due to increase in cost of materials consumed, power and fuel, employee benefit expense, which was partially offset by an increase in inventories of finished goods, stock-in-trade and work-in-progress.

Cost of materials consumed

Our cost of materials consumed increased by 32.94% to ₹9,548.91 million in Fiscal 2019 from ₹7,182.98 million in Fiscal 2018. This was primarily due to an increase in the costs of raw materials and packaging materials consumed, driven by our increased manufacturing volumes as a result of new product launches and increased demand for certain molecules such as Enoxaparin, Daptomycin, Caspofungin and Bacitracin.

Purchase of traded goods

Our purchase of traded goods increased by 78.51% to ₹162.84 million in Fiscal 2019 from ₹91.22 million in Fiscal 2018. This was primarily a result of higher demand in the domestic market.

(Increase) in inventories of finished goods, stock-in-trade and work-in-progress

Our inventories of finished goods, stock-in-trade and work-in-progress increased by 78.53% to ₹2,595.15 million in Fiscal 2019 from ₹1,453.61 million in Fiscal 2018. This was primarily due to an increase in closing stock of work-in-progress, driven by customer orders.

Excise duty on sale of goods

We recorded an excise duty on sale of goods of ₹29.52 million in Fiscal 2018 until June 30, 2017 before the GST regime took effect on July 1, 2017. There was no such excise duty on sale of goods in Fiscal 2019.

Power and fuel

Our power and fuel expense increased by 22.67% to ₹740.34 million in Fiscal 2019 from ₹603.52 million in Fiscal 2018. This was primarily due to increases in power consumption from 20.82 million units in Fiscal 2018 to 24.56 million units in Fiscal 2019 and in the average purchase price per unit of furnace oil from ₹25.96 in Fiscal 2018 to ₹34.73 in Fiscal 2019, arising from an increase in our production volumes in our Pashamylaram facility from 56.0 million units in Fiscal 2018 to 66.50 million units in Fiscal 2019.

Employee benefits expense

Our employee benefits expense increased by 24.50% to ₹2,229.49 million in Fiscal 2019 from ₹1,790.80 million in Fiscal 2018. This was primarily due to additional amounts in relation to (i) increases in average employee salary levels and headcount increase to 3,742 in Fiscal 2019 from 3,412 in Fiscal 2018; and (ii) to a lesser extent, increase in contract labour work days and average wage rates.

Depreciation expense

Our depreciation expense increased by 4.79% to ₹821.20 million in Fiscal 2019 from ₹783.68 million in Fiscal 2018. This was primarily due to an increase in the purchase of additional property, plant and equipment arising from capitalisation of additional plant and machinery and laboratory equipment in Fiscal 2019 in respect of our vial line III in our Visakhapatnam facility.

Finance expense

Our finance expense decreased by 13.51% to ₹36.69 million in Fiscal 2019 from ₹42.42 million in Fiscal 2018. This was primarily due to a decrease in interest expense on others, including interest on advance licences for duty free import of goods.

Other expenses

Our other expenses remained relatively stable at ₹1,836.96 million in Fiscal 2019 and ₹1,844.69 million in Fiscal 2018. There were increases primarily in our: (i) rates and taxes due to increase in ANDA filing fee to US$178,799 per filing in Fiscal 2019 from US$70,505 in Fiscal 2018; (ii) repairs and maintenance of plant and machinery due to increase in our production volumes in our Pashamylaram facility; (iii) stores consumed to meet increased production needs and (iv) bad debts written off in Fiscal 2019 in respect of two customers in Venezuela as a result of Venezuela's economic crisis. Subsequent to Fiscal 2019, we have not sold our products in Venezuela.

The increases were partially offset by a decrease in legal and professional charges in Fiscal 2019 as compared to Fiscal 2018, during which we incurred these costs in relation to the acquisition of a 74% stake in our Company by Fosun Singapore.

Exceptional items

We recorded an exceptional item of ₹200.00 million in Fiscal 2019. This related to an employee separation compensation paid to Dr. Ravi Penmetsa as a result of the discontinuance of his service as Managing Director and Chief Executive Officer of our Company. The employee separation compensation was approved by our Board of Directors and paid pursuant to an employment agreement between Dr. Ravi Penmetsa and our Company.

There was no exceptional item in Fiscal 2018.

Total tax expense

Our total tax expense increased by 29.94% to ₹2,344.22 million in Fiscal 2019 from ₹1,804.14 million in Fiscal 2018. This was primarily due to an increase in our current tax expense as a result of an increase in our profit before tax.

Restated profit for the year

Due to the factors discussed above, our restated profit for the year increased by 40.74% to ₹4,518.56 million in Fiscal 2019 from ₹3,210.51 million in Fiscal 2018.

Other Key Financial Ratios

(In ₹ million)

	Fiscal 2020*	Fiscal 2019*	Fiscal 2018*
EBITDA[(1)]	10,946.35	7,920.67	5,840.75
Net worth[(2)]	36,462.35	28,619.99	24,103.59
Net debt / (Net cash)[(3)]	(13,202.33)	(7,478.59)	(6,649.24)
Return on net worth (%)[(4)]	21.20%	15.79%	13.32%
RoCE (%)[(5)]	20.74%	15.11%	12.59%

Notes:

**These ratios represent non-GAAP measures; see "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation" on page 18. For Reconciliation of non-GAAP measures, see "Other Financial Information" on page 238.*

(1) EBITDA stands for earnings before interest, taxes, depreciation and amortisation which has been arrived at by adding finance expense, depreciation expense, exceptional items and total tax expense to the restated profit for the year.

(2) Net worth refers to the equity share capital and other equity of our Company.

(3) Net debt / (net cash) is calculated by subtracting total borrowings from cash and cash equivalents and bank balances.

(4) Return on net worth is calculated as restated profit for the year divided by net worth on the last day of the fiscal year.

(5) RoCE (Return on capital employed) is calculated as restated profit for the year divided by capital employed on the last day of the fiscal year. Capital employed is defined as total assets less current liabilities.

Liquidity and Capital Resources

Historically, we have been able to finance our working capital requirements through cash generated from our operations. We have relied on cash from internal resources to finance the expansion of our business and operations.

Cash Flows

The table below summarises our cash flows from our Restated Financial Information of cash flows for the years indicated:

(In ₹ million)

	Fiscal 2020	Fiscal 2019	Fiscal 2018
Net cash flow from operating activities	7,009.35	1,852.55	2,021.11
Net cash flow used in investing activities	(7,660.78)	(3,141.39)	(3,588.37)
Net cash flows used in financing activities	(68.71)	(31.24)	(37.73)
Net decrease in cash and cash equivalents	(720.14)	(1,320.08)	(1,604.99)
Cash and cash equivalents at the beginning of the year	2,364.02	3,728.41	5,330.77
Cash and cash equivalents at the end of the year	1,694.97	2,364.02	3,728.41

Operating Activities

Fiscal 2020

Our net cash flow from operating activities was ₹7,009.35 million in Fiscal 2020. Our operating cash profit before working capital changes was ₹10,250.14 million in Fiscal 2020, which was primarily adjusted by net income tax of ₹2,441.37 million, a decrease in trade payables and other financial liabilities of ₹2,146.73 million, an increase in trade receivables of ₹805.17 million, partially offset by decreases in inventories of ₹1,555.97 million and other assets of ₹520.57 million.

Fiscal 2019

Our net cash flow from operating activities was ₹1,852.55 million in Fiscal 2019. Our operating profit before working capital changes was ₹7,626.70 million in Fiscal 2019, which was primarily adjusted by net income tax of ₹2,234.70 million and increases in inventories of ₹3,990.46 million, trade receivables of ₹458.96 million and other assets of ₹296.69 million, partially offset by an increase in trade payables and other financial liabilities of ₹1,130.12 million.

Fiscal 2018

Our net cash flow from operating activities was ₹2,021.11 million in Fiscal 2018. Our operating profit before working capital changes was ₹5,526.86 million in Fiscal 2018, which was primarily adjusted by net income tax of ₹1,571.42 million and increases in inventories of ₹1,341.11 million, other assets of ₹1,118.11 million and trade receivables of ₹528.59 million, partially offset by an increase in trade payables and other financial liabilities of ₹1,109.21 million.

Investing Activities

Fiscal 2020

Net cash flow used in investing activities was ₹7,660.78 million in Fiscal 2020. This was largely driven by investments in bank deposits of ₹6,387.49 million and, to a lesser extent, by purchase of property, plant and equipment including right-of-use asset of ₹1,946.62 million, partially offset by interest received of ₹434.47 million and proceeds from disposal of property, plant and equipment of ₹238.86 million.

Fiscal 2019

Net cash flow used in investing activities was ₹3,141.39 million in Fiscal 2019. This was primarily due to investments in bank deposits of ₹2,187.45 million and purchase of property, plant and equipment including right-of-use asset of ₹1,357.44 million, partially offset by interest received of ₹398.05 million.

Fiscal 2018

Net cash flow used in investing activities was ₹3,588.37 million in Fiscal 2018. This was primarily due to investments in bank deposits of ₹2,982.02 million and purchase of property, plant and equipment including right-of-use asset of ₹851.75 million, partially offset by interest received of ₹243.80 million.

Financing Activities

Fiscal 2020

Net cash flows used in financing activities was ₹68.71 million in Fiscal 2020. This was primarily due to interest paid of ₹61.50 million for interest on taxes (GST) and advance licences for duty free import of goods, and to a lesser extent to the repayment of long-term borrowings in the amount of ₹5.30 million.

Fiscal 2019

Net cash flows used in financing activities was ₹31.24 million in Fiscal 2019. This was primarily due to interest paid of ₹25.08 million for interest on advance licences for duty free import of goods, repayment of long-term borrowings of ₹4.25 million and proceeds of interest portion of lease liabilities of ₹1.09 million.

Fiscal 2018

Net cash flows used in financing activities was ₹37.73 million in Fiscal 2018. This was primarily due to the buy back of shares, including tax thereon, to provide a full exit to certain shareholders of our Company of ₹3,976.81 million pursuant to a buy back agreement dated July 28, 2016 entered into between our Company, Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investment Private Limited and Veeyees Investments Private Limited, interest paid of ₹31.31 million for interest on advance licences for duty free import of goods, repayment of long-term borrowings of ₹4.61 million and proceeds of interest portion of lease liabilities of ₹1.17 million, offset by proceeds from the issue of CCPS worth ₹3,976.81 million by our Company to Fosun Singapore.

Borrowings and Indebtedness

As of March 31, 2020, the total borrowings of our Company amounted to ₹49.60 million for deferred sales tax loan provided as an incentive by the government for deferment of sales tax for 14 years from Fiscal 1998 for the establishment of our facility at Dundigal, Hyderabad. As of the same date, we did not have borrowings from banks. For further details, see "*Financial Indebtedness*" on page 259.

The table below summarises the maturity profile of our Total Borrowings as of March 31, 2020:

(In ₹ million)

	Up to 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Total Borrowings	8.91	2.55	12.70	25.44	49.60

Related Party Transactions

Related party transactions with certain of our Promoters and Directors primarily relate to remuneration payable and grant of employee stock options.

Contingent Liabilities

As of March 31, 2020, the claims against the Company not acknowledged as debts as disputed by the Company relating to issues of applicability are given below, as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

(In ₹ million)

Particulars	As at March 31, 2020
Outstanding bank guarantees (excluding performance obligations)	14.58
Claims against the Company not acknowledged as debts	29.90
Demand for direct taxes	16.76
Demand for indirect taxes	
Entry tax	47.01
Service tax	4.79
Value Added Tax and CST	5.30

Provident Fund

There are numerous interpretative issues relating to the Supreme Court judgement on provident fund dated February 28, 2019. As a matter of caution, our Company has accordingly made the payments for the current year. Our Company will update its position, on receiving further clarity on the subject.

It is not practical for the Company to estimate the timings of cash outflow, if any in respect of above pending resolutions of the respective proceedings.

Off-Balance Sheet Items

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with any entity that have been established for the purposes of facilitating off-balance sheet arrangements.

Contractual Obligations and Commitments

The following table sets forth certain information relating to our contractual maturity of financial liabilities and commitments as at March 31, 2020:

(In ₹ million)

	Payment due by period			
	Less than 1 year	Between 1 to 5 years	Later than 5 years	Total
Total Borrowings	8.91	15.25	25.44	49.60
Trade Payables	2,490.94	-	-	2,490.94
Other Payables	313.12	10.48	0.75	324.35
Capital and Other Commitments	1,227.06	-	-	1,227.06
Total	**4,040.03**	**25.73**	**26.19**	**4,091.95**

Capital Expenditure

The following table sets forth additions to property, plant and equipment by category of expenditure, for each of the years indicated below.

(In ₹ million)

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Freehold Land	184.64	-	42.40
Buildings	10.26	133.59	120.12
Plant and machinery	990.71	1,195.00	193.86
Laboratory equipment	119.57	160.07	37.67

Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
Research and development equipment	12.55	85.58	43.89
Furniture and fixtures	17.56	38.71	21.68
Office equipment	7.95	13.29	3.94
Vehicles	6.44	25.00	1.49
Computers	43.28	35.23	29.02
Total	**1,392.96**	**1,686.47**	**494.07**

Qualitative Disclosure about Market Risk

We are, during the normal course of business, exposed to various types of market risks. We are primarily exposed to credit risk, liquidity risk and foreign currency risk in the normal course of our business.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers to whom credit has been granted after obtaining necessary approvals. Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of our Company results in material concentration of credit risk, except for trade receivables.

Customer credit risk is managed by our Company's established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on individual credit limits defined in accordance with this assessment and outstanding customer receivables are regularly monitored. Our Company's receivables turnover is quick and historically, there have been no significant defaults. Ind AS requires an entity to recognise in statement of profit and loss the amount of expected credit losses (or reversal) required to adjust the loss allowance at the reporting date to the amount required to be recognised in accordance with Ind AS 109. Our Company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired. Expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The provision matrix takes into account historical credit loss experience, adjusted for forward looking information.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹6,017.85 million, ₹5,061.00 million and ₹4,752.10 million for Fiscal 2020, Fiscal 2019 and Fiscal 2018, respectively, being the total carrying amount of trade receivables balances.

Liquidity risk

Liquidity risk refers to the risk that our Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as required. Our Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. Our Company's exposure to the risk of changes in foreign exchange rates relates primarily to our Company's operating activities (when revenue or expense is denominated in a foreign currency).

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and other comprehensive income and equity, where any transaction references more than one currency or where assets and liabilities are denominated in a currency other than the functional currency of the respective entities.

Unusual or Infrequent Events or Transactions

As on date, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Indian and international rules and regulations as well as the overall growth of the Indian and world economies have a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income from continuing operations except as described in "*Risk Factors*" beginning on page 21.

Known Trends or Uncertainties that Have Had or are Expected to Have a Material Adverse Impact on Sales, Revenue or Income from Continuing Operations

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting Our Results of Operations*" and the uncertainties described in the section "*Risk Factors*" beginning on pages 240 and 21, respectively. 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 impact on sales, revenue or income from continuing operations.

Future Changes in Relationship between Costs and Revenues, in Case of Events Such as Future Increase in Labour or Material Costs or Prices that will Cause a Material Change are Known

Other than as described in "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", we believe there are no known factors that might affect the future relationship between cost and revenue.

Extent to which Material Increases in Net Sales or Revenue are Due to Increased Sales Volume, Introduction of New Products or Services or Increased Sales Prices

Changes in revenue in the last three Fiscals are as explained in the parts "*Fiscal 2020 compared to Fiscal 2019*" and "*Fiscal 2019 compared to Fiscal 2018*" in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*".

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, see discussions of our competition in "*Risk Factors*" on page 21.

Status of any Publicly Announced New Products or Business Segments

In June 2020, we along with our partners MAIA Pharmaceuticals, Inc. and Athenex Pharmaceutical Division, LLC, announced the launch of a ready-to-use bivalirudin injection in the United States. This is the first non-frozen ready-to-use bivalirudin 505b(2) NDA approved by the U.S. Food and Drug Administration.

Other than as described above, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Dependence on a Single or Few Suppliers or Customers

Other than as described in "*Risk Factors – Our business is dependent on the sale of our products to our key customers and in key markets, particularly the United States, Europe, Canada and Australia. The loss of such customers or a significant reduction in purchases by such customers in these markets could materially adversely affect our business, cash flows, results of operations and financial condition*" on page 24, we do not have any material dependence on a single or a few suppliers or customers.

Seasonality of Business

Our overall revenues and results are not affected by seasonal factors.

Significant Developments After March 31, 2020 that May Affect Our Results of Operations

Except as disclosed in "*Risk Factors*", particularly "*Risk Factors – The COVID-19 pandemic, or any future pandemic or widespread public health emergency, could materially and adversely impact our business, financial condition, cash flows and results of operations*" on page 25, "*Risk Factors – A slowdown in economic growth in India may adversely affect our business, financial condition, cash flows, results of operations and prospects*" on page 43, "*Risk Factors – Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, cash flows, results of operations and prospects*" on page 43, and "*Risk Factors – Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely affect the market price of the Equity Shares*" on page 48, to our knowledge no circumstances have arisen since March 31, 2020, that could 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 12 months.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2020, derived from Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" on pages 240 and 21, respectively.

(*₹ in million*)

Particulars	Pre-Offer as at March 31, 2020	As adjusted for the proposed Offer
Total borrowings		
- Non-current borrowings	40.69	[●]
- Current maturities of non-current borrowings	8.91	
Debt (A)	**49.60**	**[●]**
Equity		
- Equity Share capital	154.95	**[●]**
- Other equity	36,307.40	**[●]**
Equity (B)	**36,462.35**	**[●]**
Debt equity ratio (A/B)	**0.001**	**[●]**

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 above statement does not include lease liability as per Ind AS 116 disclosed under other financial liability in the Restated Financial Information.*

FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business and for general corporate purposes.

Set forth below is a brief summary of our aggregate borrowings as of March 31, 2020:

(in ₹ million)

Category of borrowings*	Sanctioned amount*	Outstanding amount*
Working capital facility:		
- Multi-purpose facility-HSBC, Hyderabad Branch	1,250.00	Nil
- Export invoice financing facility-Standard Chartered	1,360.00	Nil
Deferred sales tax loan[#] (Non-current portion – 40.69; current portion – 8.91)	177.31	49.60
Total	**2,787.31**	**49.60**

[#]Deferred sales tax is interest free and payable in 14 yearly unequal instalments starting from October 2012, as per the sales tax deferment scheme. The last instalment is payable in Fiscal 2026-27.
Note: The above statement does not include lease liability as per Ind AS 116 disclosed under other financial liability in the Restated Financial Information
**As certified by CMT & Associates, Chartered Accountants pursuant to their certificate dated July 9, 2020.*

Principal terms of the facilities sanctioned to our Company:

1. ***Interest:*** In respect of certain facilities sanctioned to our Company, the interest rate is based on the marginal cost of fund based lending rates which ranges from 8.15% per annum to 8.75% per annum.

2. ***Tenor:*** The tenor of the facilities sanctioned to our Company typically extend up to three years.

3. ***Security:*** The facilities sanctioned are typically secured by way of negative lien of our present and future assets including raw material, work-in-progress, spares and stores and finished goods, whether stored in our factory, godown or premises, receivables and our present and future book debts. The nature of securities described herein is indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered into by our Company.

4. ***Pre-payment:*** Our Company may prepay together with accrued interest on the amount prepaid and subject to break costs, or funding penalties, at the discretion of the lenders.

5. ***Re-payment:*** Our Company may repay all amounts of the credit facilities together with interest at the rate as agreed in the terms**.** Certain of our lenders may have a right to demand repayment, including the right to call for cash cover on demand for prospective and contingent liabilities.

6. ***Events of Default:*** Borrowing arrangements entered into by our Company contain standard events of default, including among others:

   a) failure or inability to pay loan amounts on due dates;

   b) providing incorrect or misleading information;

   c) liquidation or dissolution of our Company;

   d) cessation of business of our Company;

   e) cessation or change in business or control of our Company;

   f) cross default; and

   g) default in the performance of any covenant, condition or undertaking on our part.

   This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

7. ***Consequences of occurrence of events of default:*** In terms of our borrowing arrangements , the following, among others, are the consequences of occurrence of events of default, whereby the lenders may:

   a) terminate and cancel either whole or part of the facility;

   b) suspend further access/ drawals, either in whole or in part, of the facility;

   c) on-demand payment either whole or part of the facilities, together with accrued interest and all other amounts due under transaction documents; and

   d) accelerate repayments/ initiate recall of the loans.

8. ***Restrictive Covenants:*** The facilities sanctioned to our Company contain certain restrictive covenants, including:

   a) change in capital structure of our Company, schemes of amalgamation or reconstruction or capital expenditure without the prior approval of the lender;

   b) substantial change in the general nature of our business;

   c) change in our constitution, structure, members and ownership without prior written approval of the lender;

   d) repayment of unsecured loans and advances from the Promoters or Directors;

   e) declaration or payment of dividends, or authorising or making any distribution to the Shareholders if an event of default is subsisting or would occur due to such declaration.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company.

For the purpose of the Offer, our Company has obtained necessary consents from our lenders as required under the relevant borrowing arrangements for undertaking activities relating to the Offer.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes (in a consolidated manner); and (iv) other pending litigation as determined to be material as per the policy dated June 18, 2020, approved by the Board of Directors, in each case involving our Company, its Promoters and its Directors. Further, except as disclosed in this section, there are no disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters in the last five financial years including any outstanding action. Further, there are no pending litigation involving our Group Companies which has a material impact on our Company.

For the purpose of identification of material litigation in (iv) above, our Board has, pursuant to a resolution dated June 18, 2020, considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus:

1) *outstanding litigation involving the Company would be considered material if the monetary amount of claim by or against the Company in any such pending proceeding is in excess of 1% of the profit after tax of our Company for the last completed Fiscal as per the Restated Financial Information i.e. ₹77.28 million, which is 1% of the profit after tax of our Company for Fiscal 2020;*

2) *outstanding litigation involving the Directors would be considered material if the monetary amount of claim by or against the Director in any such such pending proceeding is in excess of ₹20 million;*

3) *outstanding litigation involving the Promoters, Fosun Singapore and Shanghai Fosun Pharma, would be considered material if the monetary amount of claim by or against such Promoter in any such pending proceeding is in excess of 1% of the profit after tax of each of Fosun Singapore and Shanghai Fosun Pharma for the last completed financial year as per the audited financial statements, i.e. US$ 89,696* and RMB 37,435,220[#], which is 1% of the profit for the year of Fosun Singapore for the financial year ended December 31, 2018, and of Shanghai Fosun Pharma for the financial year ended December 31, 2019, respectively; and*

4) *outstanding litigation involving the Company, its Directors or Promoters would be considered material if the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company, where monetary liability of outstanding litigation involving the Company, its Directors or Promoters, is not quantifiable.*

**Equivalent to ₹6.26 million (Conversion rate as of December 31, 2018: US$1.00 = ₹69.79)*
[#]Equivalent to ₹383.34 million (Conversion rate as of December 31, 2019: ¥ 1.00 = ₹10.24)

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has pursuant to the Board resolution dated June 18, 2020, considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of this materiality policy, outstanding dues to any creditor of the Company having a monetary value which exceeds 5.00% of the total trade payables (excluding amounts due under the head 'provision for expenses') of our Company as per the Restated Financial Information of our Company as at March 31, 2020, disclosed in the Draft Red Herring Prospectus, shall be considered as 'material'. Accordingly, as on March 31, 2020, any outstanding dues exceeding ₹120.36 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 shall be based on information available with our Company regarding the status of the creditor 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

Criminal Litigation

Nil

Civil Litigation

1. S. Kanaka Durga (the **"Petitioner"**) filed a petition dated March 19, 2018 before the Court of the Senior Civil Judge, City Civil Court at Hyderabad (the **"Sr. Civil Judge"**) against P.V.N. Raju, K. Jhansi Lakshmi, Surya Trust and our Company alleging that 53,900 equity shares of face value of ₹10 each registered in her name were illegally and fraudulently transferred, without her knowledge, in favour of Surya Trust. The Petitioner alleged that the P.V.N. Raju

and K. Jhansi Lakshmi, who were the trustees of the Surya Trust had, in collusion with our Company, forged her signatures and fabricated false documents to effect the transfer. Further, the Petitioner claimed that she was unaware of the subdivision of equity shares undertaken by our Company in 1994 and that she held share certificates in respect of her original shareholding of 1,000 equity shares of face value of ₹100 each. The Petitioner alleged that pursuant to subdivision of shares of our Company, she had not received the new share certificates in respect of the 53,900 equity shares of face value of ₹10 each which were fraudulently transferred and that she had never signed any share transfer forms nor had authorized anyone to do so in respect of the 53,900 equity shares. By an ex –parte order dated May 1, 2018, the Sr. Civil Judge granted a temporary injunction restraining P.V.N. Raju, K. Jhansi Lakshmi and Surya Trust from creating any third-party rights in respect of the 53,900 equity shares in any manner pending the disposal of the petition. Our Company filed a petition to vacate the ex-parte order which was allowed by the Sr. Civil Judge by its order dated June 6, 2018. Thereafter, on August 3, 2018, our Company filed a written statement denying the allegations made by the Petitioner. On July 3, 2018 our Company filed a petition before the Sr. Civil Judge for rejection of the plaint filed by the Petitioner on the ground that the Sr. Civil Judge had no jurisdiction to entertain this suit in view of section 430 of the Companies Act, 2013. The Petitioner filed a counter to the petition filed by our Company. The Sr. Civil Judge by its order dated January 19, 2019, dismissed the petition for rejection of plaint filed by our Company. The matter is pending before the Sr. Civil Judge.

Actions Taken by Regulatory and Statutory Authorities

1. The Employees State Insurance Corporation (the **"ESI Corporation"**) issued a notice dated October 4, 2010 asking our Company to explain why employee state insurance contribution (**"ESI contribution"**) in respect of field staff i.e. medical and sales representatives and executives was not remitted for the period from April, 2006 to July, 2010. Our Company submitted a reply dated December 11, 2010 to the Regional Director of ESI Corporation, Hyderabad claiming that since field staff are touring for their work and are away for more than 22 days a month, they are exempt from the applicability of Employee State Insurance Act, 1948. The ESI Corporation passed an order dated December 31, 2010 claiming ₹1.39 million as ESI contribution. Our Company filed a stay petition before the Employee's Insurance Court and Chairman, Industrial Tribunal -1 at Hyderabad (the **"Industrial Tribunal"**) against the ESI Corporation, Regional Director of ESI Corporation, Hyderabad, Recovery Officer, ESI Corporation, Hyderabad and others challenging the order passed by ESI Corporation. The Industrial Tribunal pursuant to an order dated March 1, 2011 granted interim stay of further proceedings and ordered our Company to deposit twenty five percent of the ESI contribution amount due i.e. ₹0.30 million to the treasury. The Industrial Tribunal pursuant to an order dated March 12, 2019 dismissed the petition filed by the Company. The Company thereafter filed an appeal against such order with the High Court of Judicature of State of Telangana at Hyderabad ("**High Court**"). However, such appeal has not been heard by the High Court. Thereafter, the ESI Corporation vide its order dated December 18, 2019 in proceedings no. 52Q/2618-31 ("**Order**") directed Standard Chartered Bank, Syndicate Bank and HSBC Bank to remit an amount of ₹3.28 million from our Company's account maintained with them without giving any details or particulars of the period or any other details for which our Company was liable to pay ESI contribution. Our Company filed a writ petition no. 28415/2019 before the High Court challenging the Order as arbitrary, illegal and contrary to the provisions of the Employees State Insurance Act, 1948 and in violation of articles 14, 19(1)(g) and 21 of the Constitution of India. The High Court passed a stay order dated December 20, 2019 granting interim stay of the Order on the condition that our Company deposits 50% of ₹3.28 million. Our Company has deposited ₹1.64 million with the Recovery Officer, ESI Corporation which has been acknowledged as received on December 23, 2019. The matter is pending before the High Court.

2. The Employees State Insurance Corporation (the **"ESI Corporation"**) issued a notice dated April 17, 2013 claiming an amount of ₹2.35 million as employee state insurance contributions (the **"ESI contributions"**) for marketing field staff of our Company. Our Company filed a writ petition before the Telangana High Court at Hyderabad (formerly High Court of Judicature of Andhra Pradesh, at Hyderabad) (the "**Telangana High Court**") on June 17, 2013 against the ESI Corporation and the Deputy Director, ESI Corporation, Hyderabad. Our Company has also filed an affidavit informing the court that our Company had received a similar notice for ESI contributions in respect of field staff for a different period and that our Company had approached the Industrial Tribunal -1 at Hyderabad where the matter is still pending. The Telangana High Court vide its order dated June 18, 2013 granted interim stay of further proceedings. The matter is pending before the High Court of Judicature at Hyderabad.

3. The Central Power Distribution Company of Andhra Pradesh Limited (the "**CPDCAP**") through a demand notice dated October 26, 2012 levied and demanded an amount aggregating ₹0.09 million towards fuel surcharge adjustment (the **"FSA"**) charges for the month of April 2010 for electricity consumed at the Dundigal manufacturing facility of our Company. The Andhra Pradesh Electricity Regulatory Commission (the **"APERC"**) confirmed the levy and collection of FSA for April 2010 vide its order dated November 2, 2012. Our Company moved the Telangana High Court on December 6, 2012 vide a writ petition against CPDCAP, APERC and others challenging the APERC order dated November 2, 2012. Our Company challenged the retrospective levy and collection of FSA for consumption of electricity for which our Company had already paid consumption charges in April, 2010. Our Company argued that it was constrained to file the writ petition as a special leave to appeal filed before the Supreme Court of India was pending in relation to the interpretation of regulation 45B(4) and regulation 59 of APERC (Conduct of Business) Regulations, 1999

under which FSA for the FY 2009-2010 was determined. The Telangana High Court vide its order dated December 12, 2012 passed *inter alia* the following directions:

a) no steps should be taken for collecting FSA charges from our Company for the first quarter of 2010-2011; and

b) all amounts payable by our Company towards FSA charges from second quarter of 2010-2011 onwards shall be subject to final orders to be passed in the writ petition.

The matter is pending before the Telangana High Court.

4. The Eastern Power Distribution Company of Andhra Pradesh Limited (the **"EPDCAP"**) through a demand notice dated November 26, 2012 levied and demanded fuel surcharge adjustment (the **"FSA"**) charges aggregating ₹0.33 million for the month of April 2010 for electricity consumed at the Visakhapatnam manufacturing facility of our Company. The Andhra Pradesh Electricity Regulatory Commission (the **"APERC"**) confirmed the levy and collection of FSA for April 2010 vide its order dated November 2, 2012. Our Company filed a writ petition before the Telangana High Court on December 10, 2012 against EPDCAP, APERC and others challenging the APERC order dated November 2, 2012. Our Company challenged the retrospective levy and collection of FSA for consumption of electricity for which our Company had already paid consumption charges in April, 2010. Our Company argued that it was constrained to file the writ petition as a special leave to appeal (civil) before the Supreme Court of India on a similar subject matter i.e. the interpretation of regulation 45B(4) and regulation 59 of APERC (Conduct of Business) Regulations, 1999 under which FSA rates are calculated, was pending. The Telangana High Court vide its order dated December 12, 2012 passed *inter alia* the following directions:

a) no steps should be taken for collecting FSA charges from our Company for the first quarter of 2010-2011; and

b) all amounts payable by our Company towards FSA charges from second quarter of 2010-2011 onwards shall be subject to final orders to be passed in the writ petition.

The Superintending Engineer, EPDCAP has filed a counter affidavit against the above order with the Telangana High Court. The matter is pending before the Telangana High Court.

5. The Central Power Distribution Company of Andhra Pradesh Limited (the **"CPDCAP"**) through a demand notice dated October 26, 2012 levied and demanded an amount aggregating ₹0.01 million towards fuel surcharge adjustment (the "**FSA**") charges for the month of April 2010 for electricity consumed at the Bollaram manufacturing facility in Medak District of our Company. The Andhra Pradesh Electricity Regulatory Commission (the **"APERC"**) confirmed the levy and collection of FSA for April 2010 vide its order dated November 2, 2012. Our Company filed a writ petition before the Telangana High Court on December 10, 2012 against CPDCAP, APERC and others challenging the APERC order dated November 2, 2012. Our Company challenged the retrospective levy and collection of FSA for consumption of electricity for which our Company had already paid consumption charges in April, 2010. Our Company argued that it was constrained to file the writ petition as a special leave to appeal (civil) before the Supreme Court of India on a similar subject matter i.e. the interpretation of regulation 45B(4) and regulation 59 of APERC (Conduct of Business) Regulations, 1999 under which FSA rates are calculated, was pending. The Telangana High Court vide its order dated December 12, 2012 passed inter alia the following directions:

a) no steps should be taken for collecting FSA charges from our Company for the first quarter of 2010-2011; and

b) all amounts payable by our Company towards FSA charges from second quarter of 2010-2011 onwards shall be subject to final orders to be passed in the writ petition.

The matter is pending before the Telangana High Court.

6. The Southern Power Distribution Company of Telangana Limited (the **"SPDCTL"**) filed applications requesting Telangana State Electricity Regulatory Commission (the **"TSERC"**) to re-determine cross subsidy surcharge (the **"CSS"**) for Financial Years 2005-2006 to 2013-14. The SPDCTL also filed an application vide O.P. No. 14 of 2017 for determining CSS for the Financial Year 2014-2015. The TSERC by a common order dated April 6, 2018 decided the aforementioned applications filed by SPDCTL. Based on the TSERC order of April 6, 2018, the Superintending Engineer, SPDCTL raised a demand on June 21, 2018 for payment of CSS aggregating ₹12.31 million with respect to the service connection at Dundigal manufacturing facility of our Company. Our Company filed a writ petition W.P. 22865/2018 on July 4, 2018 before the Telangana High Court challenging the TSERC order dated April 6, 2018. Our Company submitted the following arguments:

a) The TSERC was constituted on November 3, 2014 pursuant to formation of the state of Telangana in June 2014. Therefore, it cannot determine CSS for a period anterior to its constitution. Hence, the TSERC had no jurisdiction to determine CSS for the financial years 2005-2006 to 2013-2014;

b) For the Financial Year 2013-14, the erstwhile commission, Andhra Pradesh Electricity Regulatory Commission (before the splitting of the state and establishment of TSERC) ("**APERC**") had determined nil CSS vide O.P. No. 54 of 2013 dated August 13, 2013 and though a review petition was preferred, it was dismissed and thus the APERC orders had become final. Moreover, the TSERC vide the TSERC (Adoption) Regulations, 2014 had adopted all the previous orders of erstwhile APERC. Therefore, having adopted the previous orders of APERC, the TSERC was precluded from making a fresh determination of CSS for the Financial Year 2014-2015 vide O.P. 13 of 2017;

c) The TSERC has condoned the delay of three years without sufficient reason and determined the CSS for the year 2014-2015 in O.P. No. 14 of 2017 amounting to retrospective levy of CSS charge; and

d) The TSERC passed its order dated April 6, 2018 without conducting public hearing calling for objections and without providing a reasonable opportunity of hearing to our Company and thus was in violation of principles of natural justice.

The Telangana High Court has vide its interim order dated July 5, 2018 suspended the operation of the TSERC order dated April 6, 2018 and also granted interim stay against the demand notice dated June 21, 2018. The matter is pending before the Telangana High Court.

7. The Southern Power Distribution Company of Telangana Limited (the **"SPDCTL"**) filed applications requesting Telangana State Electricity Regulatory Commission (the **"TSERC"**) to re-determine cross subsidy surcharge (the **"CSS"**) for the Financial Years 2005-2006 to 2013-14. The SPDCTL also filed an application vide O.P. No. 14 of 2017 after a lapse of three years for determining CSS for the Financial Year 2014-2015.The TSERC by a common order dated April 6, 2018 decided the aforementioned applications filed by SPDCTL. Based on the TSERC order of April 6, 2018, the Superintending Engineer, SPDCTL raised a demand on June 8, 2018 for payment of CSS aggregating ₹0.13 million with respect to the service connection at Pashamylaram manufacturing facility of our Company. Our Company filed a writ petition W.P. 26915/2018 on July 30, 2018 before the Telangana High Court challenging the common order dated April 6, 2018. Our Company submitted the following arguments:

(a) The TSERC was constituted on November 3, 2014 pursuant to the formation of state of Telangana in June, 2014. Therefore, it cannot determine CSS for a period anterior to its constitution. Hence, the TSERC had no jurisdiction to determine CSS for the financial years 2005-2006 to 2013-2014;

(b) For the Financial Year 2013-14, the erstwhile commission, Andhra Pradesh Electricity Regulatory Commission (before the splitting of the state and establishment of TSERC) ("**APERC**") had determined nil CSS vide O.P. No. 54 of 2013 dated August 13, 2013 and though a review petition was preferred, it was dismissed and thus the APERC orders had become final. Moreover, the TSERC vide the TSERC (Adoption) Regulations, 2014 had adopted all the previous orders of erstwhile APERC. Therefore, having adopted the previous orders of APERC, the TSERC was precluded from making a fresh determination of CSS for the Financial Year 2014-2015 vide O.P. No. 13 of 2017;

(c) The TSERC has condoned the delay of three years without sufficient reason and determined the CSS for the year 2014-2015 in O.P. No. 14 of 2017 amounting to retrospective levy of CSS charge; and

(d) The TSERC passed its order dated April 6, 2018 without conducting public hearing calling for objections and without providing a reasonable opportunity of hearing to our Company and thus was in violation of principles of natural justice.

The Telangana High Court has vide its interim order dated August 1, 2018 suspended the operation of the order passed by TSERC on April 6, 2018 and also granted interim stay against the demand notice dated June 8, 2018. The Telangana High Court has vide an order dated February 27, 2020 disposed the W.P. 26915/2018 and remanded the case to the TSERC for fresh determination of CSS. This matter is currently pending.

Litigation by our Company

Civil Litigation

1. Our Company had purchased plot 51/1, plot 51/2, plot 51/3 and plot 51/4 (the **"Plots"**) measuring in aggregate 2,330 square yards situated at Dommarapochampally village, Qutubullapur Mandal in Ranga Reddy district from its absolute owners under different registered sale deeds dated February 12, 2014 vide document numbers 665/2014, 666/2014 and 667/2014. Our Company had been in continuous possession and enjoyment of the Plots from the date of purchase and had constructed a compound wall around the Plots. On September 2, 2015, the Deputy Collector and Tehsildar, Mandal Revenue office, Qutubullapur Mandal, Ranga Reddy District (the **"Deputy Collector"**) tried to demolish the compound wall without issuance of any prior notice to our Company. Our Company resisted by showing all relevant documents evidencing its title and right over the Plots. Thereafter, the Collector and his subordinate officials frequently visited the

Plots and tried to disturb the peaceful possession of our Company over these Plots at the instance of certain people from the local community without following due process of law. Our Company filed a writ petition W.P. 29101/2015 before the Telangana High Court on September 7, 2015 against State of Telangana represented by Principal Secretary, Revenue Department (the **"Principal Secretary"**), District Collector, Ranga Reddy District (the **"District Collector"**) and Deputy Collector and requested it to direct the Deputy Collector and his subordinates not to interfere with the peaceful possession and enjoyment of our Company over the Plots. The Telangana High Court vide its interim order dated September 8, 2015 directed the Principal Secretary, the District Collector and the Deputy Collector not to dispossess our Company of the Plots for a period of six weeks. Thereafter, since no counter affidavit was filed, the Telangana High Court by another order dated November 3, 2015 extended its interim order dated September 8, 2015. The matter is pending before the Telangana High Court.

Litigation involving our Promoters

Litigation by Shanghai Fosun Pharma

Civil Litigation

1. Shanghai Fosun Pharma has initiated arbitration against Dr. John Hajjar, MD., Sovereign Medical Services, Inc., and Sovereign Capital Holding, LLC (collectively, the "**Respondents**") before the American Arbitration Association New York. Shanghai Fosun Pharma has requested the Respondents to buy back certain shares at a value of US$ 40 million (plus applicable interest, costs and fees). The matter has been accepted by the arbitration tribunal and is currently at the stage of evidence discovery.

Tax Claims

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Directors and Promoters.

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Tax litigation against the Company		
Direct Tax	1	16.76^
Indirect Tax	6	57.19#*

^The Company has deposited an amount of ₹16.76 million as pre-deposit with the relevant tax authorities.
#Including a penalty of ₹0.01 million, subject to the Superintendent of Central Tax, Ameerpet Division serving the Company with an order-in-original. However, the penalty will be reduced to 25.00% of the penalty amount, subject to payment of the entire excess CENVAT credit taken along with interest as determined in the order within 30 days from the date of receipt of the order.
**Including an aggregate amount of ₹28.41 million pre-deposited by our Company with the relevant tax authorities.*

Outstanding dues to Creditors

As of March 31, 2020, the total number of creditors of our Company was 620 and the total outstanding dues to these creditors (excluding amounts due under the head 'provision for expenses') by our Company was ₹2,407.29 million. Our Company owes an amount of ₹33.15 million to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

As per the materiality policy, creditors of our Company to whom an amount having a monetary value which exceeds 5.00% of the total trade payables (excluding amounts due under the head 'provision for expenses') of the Company as per the Restated Financial Information of the Company as at March 31, 2020, disclosed in the Draft Red Herring Prospectus shall be considered as 'material' i.e., creditors of our Company to whom our Company owes an amount exceeding ₹120.36 million were considered material. As of March 31, 2020, there are four material creditors to whom our Company owes an aggregate amount of ₹1,647.15 million.

Details of outstanding dues owed to material creditors, MSMEs and other creditors as of March 31, 2020 are set out below:

Types of Creditors	Number of Creditors	Amount involved (in ₹ million)
Micro, Small and Medium Enterprises	62	33.15
Material Creditors	4	1,647.15
Other Creditors	554	726.99
Total Outstanding Dues*	**620**	**2,407.29**

**The total outstanding dues set out above does not include amounts due on account of provision for expenses amounting to ₹83.65 million.*

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at http://www.glandpharma.com/materialcreditors.

It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus.

Material Developments

Other than as stated in "*Management's Discussion And Analysis of Financial Condition And Results Of Operations"* on page 240, there have not arisen, since the date of the last financial information disclosed in this Draft Red Herring Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our 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 an indicative list of approvals obtained by our Company which are considered material and necessary for the purpose of undertaking its business activities. In view of these key approvals, our Company can undertake this Offer and its business activities. In addition, certain of our key approvals may expire in the ordinary course of business and our Company will make applications to the appropriate authorities for renewal of such key approvals, as necessary. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" on page 139.

I. Incorporation details

1. Certificate of incorporation dated March 20, 1978 issued to our Company, under the name Gland Pharma Private Limited by the RoC.

2. Fresh certificate of incorporation dated April 25, 1995 issued by the RoC, consequent upon change from Gland Pharma Private Limited to Gland Pharma Limited, pursuant to conversion of our Company into a public limited company.

3. The CIN of our Company is U24239TG1978PLC002276

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 269.

III. Key approvals in relation to our Company

Approvals in relation to our business operations

In order to operate our manufacturing facilities in India, our Company requires various approvals and/or licenses under various state and central laws, rules and regulations. These approvals and/or licenses, *inter alia*, include licenses under the Drugs and Cosmetics Act, 1940 and the Drugs and Cosmetics Rules, 1945, approval from the central and state and pollution control board under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Hazardous and Other Wastes (Management, Transboundary Movement) Rules, 2016, Bio-Medical Waste Management Rules, 2016, the Narcotic Drugs and Psychotropic Substances Act, 1985, the Explosives Act, 1884 and the Explosives Rules, 2008, and approvals to operate in special economic zones.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our facilities. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications.

Foreign trade related approvals

Our Company has obtained an importer exporter code bearing number 0990002110 from the Office of Additional Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India on November 7, 1990. This code is valid until cancelled.

Tax related approvals

Our Company has obtained registrations under various central and state specific tax laws such as the Income Tax Act, 1961, goods and service tax acts, state specific service tax and profession tax acts. Our Company has obtained the necessary licenses and approvals from the appropriate regulatory and governing authorities in relation to such tax laws.

Labour related approvals

Our Company has obtained registrations under various employee and labour related laws including the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Contract Labour (Regulations and Abolition Act), 1970, Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various labour laws by certain Establishments) Act, 2015, the Employees State Insurance Act, 1948 and the relevant shops and establishment legislations.

Intellectual property

As of March 31, 2020, our Company has 66 registered trademarks, out of which our Company has made renewal applications for two registered trademarks. Further, our Company has 12 registered patents and has applied for the registration of nine patents in India.

IV. Investment related approvals

a) Fosun Singapore was issued an approval by the Competition Commission of India pursuant to its order dated December 13, 2016 ("**CCI Order**") for its investment (which represents 74.00% of the Equity Share capital of our Company) resulting in Fosun Singapore becoming the holding company of our Company, through:

1. acquisition of Equity Shares from KKR Floorline Investments Pte. Ltd, erstwhile promoter of our Company as of the date of the CCI Order and certain other individuals;

2. subscription to CCPS of our Company by Fosun Singapore (which have been converted into Equity Shares of the Company on February 7, 2018); and

3. buy-back of Equity Shares by our Company from certain existing Shareholders.

For further details, see "*Capital Structure - History of the Equity Share capital held by our Promoters*" on page 64.

b) KKR Floorline Investments Pte. Ltd. was issued an approval by the Competition Commission of India pursuant to a letter dated January 28, 2014, and an approval by the erstwhile Foreign Investment Promotion Board, Ministry of Finance pursuant to a letter dated May 20, 2014 for its investment representing 37.98% of the equity share capital of our Company at the time of such investment. As of the date of this Draft Red Herring Prospectus, KKR Floorline Investments Pte. Ltd. does not hold any equity shares of the Company.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at its meeting held on November 1, 2019 and our Shareholders have approved the Fresh Issue pursuant to a resolution dated June 23, 2020 in terms of Section 62(1)(c) of the Companies Act, 2013. The Draft Red Herring Prospectus has been approved by our Board pursuant to a resolution passed on July 10, 2020.

Each of the Selling Shareholders have, severally and not jointly, confirmed and approved its participation in the Offer for Sale in relation to its portion of Offered Shares. For details, see "*The Offer*" on page 50.

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 or other Governmental Authorities

Our Company, Promoters, members of the Promoter Group, Directors, persons in control of our Company and the persons in control of our Promoters 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.

None of the companies with which our Promoters and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

None of our Directors are associated with securities market related business, in any manner and there has been no outstanding actions initiated by SEBI against our Directors in the five years preceding the date of this Draft Red Herring Prospectus.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters or Directors have not been declared as fugitive economic offenders under section 12 of the Fugitive Economic Offenders Act, 2018.

Each Selling Shareholder, severally and not jointly, confirms that it has not been 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 other governmental authority in India.

Confirmation under Companies (Significant Beneficial Ownership) 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 Ownership) Rules, 2018, to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

Our Company is eligible for 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:

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;
- Our Company has an average operating profit of at least ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years;
- 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 basis; and
- Our Company has not changed its name in the last one year.

Our Company's operating profit, net worth, net tangible assets and monetary assets derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the last three years ended March 31 are set forth below:

Derived from our Restated Financial Information:

(₹ in million)

S. No.	Particulars	Fiscal 2020	Fiscal 2019	Fiscal 2018
A.	Net tangible assets[(1)]	37,193.38	29,686.02	25,049.46
B.	Monetary assets[(2)]	13,251.93	7,533.49	6,708.39
C.	Monetary assets as a percentage of net tangible assets (B/A)	35.63%	25.38%	26.78%
D.	Net worth[(3)]	36,462.35	28,619.99	24,103.59
E.	Restated pre-tax operating profits[(4)]	8,608.80	6,043.83	4,569.18

Notes:

1. *"Net tangible assets" means the sum of all the net assets of our Company excluding intangible assets and right of use assets reduced by total liabilities excluding deferred tax liability (Net) of the Company.*
2. *"Monetary assets" means cash and cash equivalents and bank balances other than cash and cash equivalents.*
3. *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*
4. *"Restated pre-tax operating profit" means restated profit before tax excluding other income and finance expense.*

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, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as a promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, or Directors is a wilful defaulter (as defined in the SEBI ICDR Regulations);

(iv) None of our Directors has been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except employee stock options granted pursuant to the ESOP Scheme 2019 and ESOP Plan 2019, 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 Bigshare Services Private Limited has entered into tripartite agreements dated March 19, 2020 and May 23, 2016 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares. Further, our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC;

(vii) The Equity Shares of our Company held by the Promoters are in the dematerialised form; and

(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.

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, CITIGROUP GLOBAL MARKETS INDIA PRIVATE LIMITED, HAITONG SECURITIES INDIA PRIVATE LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) 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, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 10, 2020 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(FORM 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 legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the Registrar of Companies in terms of sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, our Directors, the Selling Shareholders and BRLMs

Our Company, 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 http://www.glandpharma.com/, or the respective websites of our Promoters or any affiliate of our Company would be doing so at his or her own risk.

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 shall be made available by our Company, Selling Shareholders 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.

None among our Company, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (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.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The 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, the Selling Shareholders, their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This 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, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs and AIFs 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 this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai 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. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.

Eligibility and Transfer Restrictions

The Equity Shares 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 in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to "qualified institutional buyers" (as defined in Rule 144A 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 reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder.

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 the 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 unless made pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable state securities laws in the United States.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to 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 the Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares 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 the Company or a person acting on behalf of an affiliate;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act, and in each case in accordance with all applicable laws, including the state securities laws in the United States;

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 is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S);

9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the 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 "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.** "

10. the 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 the Company, the Selling Shareholders, the BRLMs and 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 the Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares Offered and Sold in 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 the Company, the Selling Shareholders and the BRLMs that it has received a copy of this Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares 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 may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer 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 Sates 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 the 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, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

7. the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act);

8. the 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

9. the purchaser acknowledges that the Company, the Selling Shareholders, the BRLMs and 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 the Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

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 in accordance with applicable laws.

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 the RoC filing.

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 the RoC filing.

Listing

The Equity Shares issued 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.

Consents

Consents in writing of each of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Legal Counsel to the Company and the Other Selling Shareholders as to Indian Law, Legal Counsel to the Promoter Selling Shareholder as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, Registrar to the Offer, IQVIA Consulting and Information Services India Private Limited, CMT & Associates, Chartered Accountants; and consents in writing of the Syndicate Members, Escrow Collection Bank(s)/Refund Bank(s)/ Public Offer Account/ Sponsor Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus and the RoC as required under the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for filing with the RoC.

Expert to the Offer

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

Our Company has received written consent dated July 10, 2020 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 Auditors, and in respect of their (i) examination report, dated June 18, 2020 on our Restated Financial Information; and (ii) their report dated July 8, 2020 on the statement of tax benefits 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.

In addition, our Company has received written consent dated June 10, 2020 from K.V. Sastry, Chartered Engineer, as chartered engineer to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of his certificate dated June 10, 2020, 2020 on the Company's manufacturing capacity and its utilization at certain manufacturing facilities, and written consent dated June 3, 2020 from Rajeshwari & Associates, Trademark and Patent Attorneys, as intellectual property consultant to include their name under Section 26(5) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their certificate dated June 3, 2020 on the (i) patent and trademark filings and registrations; and (ii) product filings and registrations of the Company in India and certain other jurisdictions , and such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 61, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus.

Except as stated below, none of our Group Companies has made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus:

Particulars	Details of the capital issue
Shanghai Henlius Biotech, Inc.	
Year of issue	2019
Type of issue (public/rights/composite)	Initial public offering
Amount of issue (HK$)	HK$ 3.4 billion
Issue price (HK$)	HK$ 49.6
Current market price (HK$)*	HK$ 51.9
Date of closure of issue	September 17, 2019 (being the date of the closure of application lists under the Hong Kong public offering)
Date of allotment	September 25, 2019
Date of completion of the project, where object of the issue was financing the project	Not applicable
Rate of dividend paid	Nil

**As on July 8, 2020*

Our Company does not have any subsidiaries or associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the 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 since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue in the five years preceding the date of this Draft Red Herring Prospectus. Our Company has not undertaken any rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed Promoter of our Company

Our listed Promoter, Shanghai Fosun Pharma has not undertaken any public/ rights issue of its equity shares in the preceding five years.

Price information of past issues handled by the BRLMs

1) Kotak Mahindra Capital Company Limited

1. Price information of past issues handled by Kotak Mahindra Capital Company Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	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.	SBI Cards and Payment Services Limited	103,407.88	755	March 16, 2020	661	-33.05% [-2.21%]	-21.79%[8.43%]	-
2.	Ujjivan Small Finance Bank Limited	7,459.46	37	December 12, 2019	58.75	+41.08% [+2.38%]	+10.27%[-12.70%]	-16.62%[-15.07%]
3.	Polycab India Limited	13,452.60	538	April 16, 2019	633.00	+15.36% [-5.35%]	+14.70%[-1.99%]	+23.76%[-4.09%]
4.	Metropolis Healthcare Limited	12,042.88	880	April 15, 2019	958.00	+3.75% [-4.01%]	+21.39%[-1.18%]	+45.93%[-3.30%]
5.	CreditAccess Grameen Limited	11,311.88	422	August 23, 2018	390.00	-21.6% [-3.80%]	-14.91% [-8.00%]	-5.71%[-8.13%]
6.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.35% [+1.17%]	+30.61% [-7.32%]	+23.78%[-4.33%]
7.	TCNS Clothing Co. Limited	11,251.25	716	July 30, 2018	716.00	-9.29% [+3.70%]	-19.74% [-11.39%]	-1.00%[-4.76%]
8.	Varroc Engineering Limited	19,549.61	967	July 6, 2018	1,015.00	+1.62% [+5.46%]	-7.29% [+0.79%]	-24.01% [+1.28%]
9.	IndoStar Capital Finance Limited	18,440.00	572	May 21, 2018	600.00	-0.96% [+1.84%]	-16.28% [+9.07%]	-39.97 [+1.57%]
10.	Lemon Tree Hotels Limited	10,386.85	56	April 9, 2018	61.60	+30.18% [+3.26%]	+29.91% [+3.79%]	+19.46% [-0.61%]

Source: www.nseindia.com

Notes:

1. *In SBI Cards and Payment Services Limited, the issue price to eligible employees was ₹ 680 after a discount of ₹ 75 per equity share*
2. *In Ujjivan Small Finance Bank Limited, the issue price to eligible shareholders of Ujjivan Financial Services Limited was ₹ 35 per equity share*
3. *In Polycab India Limited, the issue price to employees was ₹ 485 after a discount of ₹ 53 per equity share.*
4. *In Varroc Engineering Limited, the issue price to employees was ₹ 919 after a discount of ₹ 48 per equity share.*
5. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
6. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
7. *Nifty is considered as the benchmark index.*
8. *Restricted to last 10 equity public issues.*

2. Summary statement of price information of past issues handled by Kotak Mahindra Capital Company Limited

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2021	Nil	-	-	-	-	-	-	-	-	-	-	-	-	-

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2020	4	136,362.82	-	1	-	-	1	2	-	-	1	-	1	1
2019	6	98,942.90	-	-	3	1	1	1	-	1	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.

2) Citigroup Global Markets India Private Limited

1. Price information of past issues handled by Citigroup Global Markets India Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	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.	Polycab India Limited	13,452.60	538.00	April 16, 2019	633.00	+15.29%[(-)5.35%]	+14.70%[(-)1.99%]	+23.76%[(-)4.09%]
2.	Aavas Financiers Limited	16,403.17	821.00	October 8, 2018	750.00	(-)19.32%[+1.76]	+2.42%[+3.66%]	+38.41%[+12.91%]
3.	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	+58.04%[+1.17%]	+30.61%[(-)7.32%]	+23.78%[(-)4.33%]
4.	TCNS Clothing Co. Limited	11,251.25	716.00	July 30, 2018	716.00	(-)9.29%[+3.70%]	(-)19.74%[(-)11.39%]	(-)1.00%[(-)4.76%]
5.	Varroc Engineering Limited	19,549.61	967.00	July 6, 2018	1,015.00	+1.62%[+5.46%]	(-)7.29%[+0.79%]	(-)24.01%[+1.27%]
6.	ICICI Securities Limited	35,148.49	520.00	April 4, 2018	435.00	(-)27.93%[+5.44%]	(-)38.63%[+5.64%]	(-)44.39%[+7.92%]

Source: www.nseindia.com

Notes:

1) *Nifty is considered as the benchmark index.*
2) *% of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3) *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case closing price on the NSE of a trading day immediately prior to the 30th/ 90th/180th day, is considered.*

2. Summary statement of price information of past issues handled by Citigroup Global Markets India Private Limited

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	1	13,452.60	-	-	-	-	-	1	-	-	-	-	-	1
2019	5	110,355.83	-	1	2	1	-	1	-	1	2	-	1	1

3) Haitong Securities India Private Limited

1. Price information of past issues handled by Haitong Securities India Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	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
-	NA	-	-	-	-	-	-	-

Source: www.nseindia.com

Notes:

1. Based on date of listing.

2. Summary statement of price information of past issues handled by Haitong Securities India Private Limited

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

1. Based on date of listing.

4) Nomura Financial Advisory and Securities (India) Private Limited

1. Price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

S. No.	Issue name	Issue size (in ₹ million)	Issue price (in ₹)	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.	SBI Cards and Payment Services Limited[1]	103,407.88	755	March 16, 2020	661	-33.16%,[-2.96%]	-21.52%,[+6.70%]	NA
2.	Affle (India) Limited	4,590.00	745	August 8, 2019	926.00	+13.09%, [-0.78%]	+86.32%,[+8.02%]	+135.49%,[+6.12%]
3.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	+58.04%, [+1.17%]	+29.60%,[-7.58%]	+23.78%,[-4.33%]
4.	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600	-0.96%, [+1.84%]	-15.87%,[+9.84%]	-39.97% [+1.57%]

Source: www.nseindia.com

1. Price for Eligible Employees bidding in the Employee Reservation Portion was INR680.00 per equity share

Notes:

a. The CNX NIFTY has been considered as the Benchmark Index.
b. Price on NSE is considered for all of the above calculations.
c. In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.
d. Not applicable – Period not completed

2. Summary statement of price information of past issues handled by Nomura Financial Advisory and Securities (India) Private Limited

Fiscal	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2021	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2020	2	107,997.88	-	1	-	-	-	1	-	-	-	1	-	-
2019	2	46,443.31	-	-	1	1	-	-	-	1	-	-	-	1

***Source**: www.nseindia.com*

***Notes**:*

a) The information is as on the date of this document.
b) The information for each of the financial years is based on issues listed during such financial year.

Stock Market Data of Equity Shares

This being an initial public offer of 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.

All grievances in relation to the Bidding process 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 for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

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.

Our Company has not received investor complaints in relation to the Equity Shares for the three years prior to the filing of the Draft Red Herring Prospectus, hence no investor complaint in relation to our Company is pending as on the date of filing of the Draft Red Herring Prospectus.

Our Group Company, Shanghai Henlius Biotech, Inc. whose shares are listed on the Stock Exchange of Hong Kong, does not have any investor complaints pending as on the date of filing of this Draft Red Herring Prospectus.

Our Company does not have any subsidiaries.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 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 five 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 also appointed Sampath Kumar Pallerlamudi, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, see "*General Information*" on page 54.

Our Company has constituted a Stakeholders' Relationship and Share Transfer Committee comprising of Satyanarayana Murthy Chavali, Srinivas Sadu and Yiran Peng as members. For details, see "*Our Management - Stakeholders' Relationship and Share Transfer Committee*" on page 162.

SECTION VII: 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, 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 and listing and trading of securities issued from time to time by SEBI, the Government of India, 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 Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

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 issued in the Offer shall be *pari passu* with the existing Equity Shares in all respects including dividends. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 301.

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 and provisions of the Listing Regulations and any other guidelines or directions which may be issued by the Government in this regard. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of Articles of Association*" beginning on pages 185 and 301, respectively.

Face Value, Offer Price, Floor 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 and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and advertised in [●] editions of [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper and [●] editions of [●], a Telugu newspaper, Telugu being the regional language of Telangana, where our Registered and Corporate Office is located, each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

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

The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer Expenses*" on page 82.

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, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;

- Right of free transferability, 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 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 "*Description of Equity Shares and Terms of Articles of Association*" on page 301.

Allotment only in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges. In this context, our Company has entered into the following agreements with the respective Depositories and Bigshare Services Private Limited:

- Tripartite agreement dated March 19, 2020 amongst our Company, NSDL and Bigshare Services Private Limited.
- Tripartite agreement dated May 23, 2016 amongst our Company, CDSL and Bigshare Services Private Limited.

Our Company shall enter into a tripartite agreement with the respective Depositories and the Registrar to the Offer prior to the filing of the Red Herring Prospectus with RoC.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

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 tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 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, the 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 dematerialized 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.

Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

Bid/Offer Programme

BID/OFFER OPENS ON	**[●][(1)]**
BID/OFFER CLOSES ON	**[●][(2)]**

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

(2) Our Company and the Selling Shareholders in consultation with the BRLMs may, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

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 demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

**In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.*

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company, our Selling Shareholders or the BRLMs.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band 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 required by our Company and the BRLMs for completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by SEBI.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/Offer Closing Date, extension of time may be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs 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 this Offer. Bids will be accepted only during Working Days.

None among our Company and the Selling Shareholders 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.

Our Company and the Selling Shareholders, in consultation with the BRLMs reserves the right to revise the Price Band during the Bid/Offer Period. 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 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 similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in 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 terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

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.

Minimum Subscription

If our Company does not receive the minimum subscription in the Offer equivalent to at least 10% post Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b) of the SCRR), including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date on the date of closure of the Offer or; the minimum subscription of 90% of the Fresh Issue on the date of closure of the Offer; or withdrawal of applications; or after technical rejections; or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares so offered under the offer document, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond fifteen days after our Company becomes liable to pay the amount, our Company and our Directors, who are officers in default, shall pay interest at the rate of 15% per annum. In the event of an undersubscription 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.

Each Selling Shareholder shall reimburse, in proportion to the respective portion of its 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 such Selling Shareholder shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of such Selling Shareholder.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

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.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters' minimum contribution under the SEBI ICDR Regulations and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 61 and except as provided under the Articles of Association, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the Articles of Association. For details, see "*Description of Equity Shares and Terms of Articles of Association"* beginning on page 301.

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 to ₹[●] million comprising of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹12,500 million by our Company and an Offer for Sale of up to 34,863,635 Equity Shares aggregating up to ₹[●] million comprising of up to 19,368,686 Equity Shares aggregating up to ₹[●] million by the Promoter Selling Shareholder and up to 15,494,949 Equity Shares aggregating up to ₹[●] million by the Other Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through the Book Building Process.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation [(2)]	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer size available for Allotment/ allocation	Not more than 50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion (excluding the Anchor Investor Portion). The unsubscribed portion in the Mutual Fund Portion will be available for allocation to other QIBs	Not less than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Bidders will be available for allocation	Not less than 35% of the Offer or Offer less allocation to QIBs and Non-Institutional Bidders will be available for allocation
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall 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) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	Proportionate	Allotment to each Retail Individual Bidder shall not be less than the maximum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 288
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Bidders
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the size of the Offer (excluding the QIB Portion), subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share		
Trading Lot	One Equity Share		
Who can apply[3] [4]	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, 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.	Resident Indian individuals, Eligible NRIs on a non-repatriable basis, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices	Resident Indian individuals, Eligible NRIs and HUFs (in the name of 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[4] **In case of all other Bidders**: Full Bid Amount shall be blocked in the bank account of the ASBA Bidder (other than Anchor Investors) that is specified in the ASBA Form at the time of submission of the ASBA Form		
Mode of Bidding	Only through the ASBA process (except for Anchor Investors).		

* *Assuming full subscription in the Offer*

(1) Our Company and the Selling Shareholders, 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. 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 price Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For details, see "Offer Structure" on page 285.

(2) Subject to valid Bids being received at or above the Offer Price. This is an Offer in terms of Rule 19(2)(b) of the SCRR in compliance with Regulation 6(1) of the SEBI ICDR Regulations

(3) 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 would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion, the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, see "*Terms of the Offer*" on page 281.

Withdrawal of the Offer

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue and the Selling Shareholders, reserve the right not to proceed with the Offer for Sale, in whole or in part thereof, to the extent of the Offered Shares, 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. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, 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 and the Selling Shareholders, in consultation with the BRLMs withdraws the Offer at any stage 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. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the filing of the Prospectus with the RoC.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (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.*

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 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 and (xii) interest in case of delay in allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholders, 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, 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 spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company and the Selling Shareholders, 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.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

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, for RIBs using the UPI Mechanism, 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.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days.

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 and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available with the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs can additionally Bid through the UPI Mechanism.

RIBs 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 Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form.

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. RIBs using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

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, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

**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 offices of the BRLMs

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than RIBs using UPI Mechanism) 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.

Participation by Promoters and members of the Promoter Group of the Company, the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor (ii) any "person related to the Promoters/ Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters/ Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) 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 (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and members of the Promoter Group will not participate in the Offer, except to the extent of participation of one of our Promoters in the Offer for Sale.

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 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 authorize their respective SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

For details of investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 300. Participation of Eligible NRIs shall be subject to the FEMA Non-debt Instruments Rules.

Bids by HUFs

Hindu Undivided Families or HUFs, should be made in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. 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 74% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs may not be treated as multiple Bids.

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 22 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 derivate 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.

Bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 ("**SEBI VCF Regulations**") as amended, *inter alia* prescribe the investment restrictions on VCFs, registered with SEBI. The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCIs registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

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 reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with 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.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with 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. 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 reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, as amended, are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer or health insurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or health insurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or health insurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

[*]The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, 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, Mutual Funds, insurance companies, 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 and the Selling Shareholders 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 and the Selling Shareholders 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 auditors, 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, reserves the right to reject any Bid without assigning any reason thereof. 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 this Offer.

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 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 Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

General Instructions

***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 have mentioned the correct ASBA Account number if you are not an RIB using the UPI Mechanism in the Bid cum Application Form and if you are an RIB 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. RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;

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 within the prescribed time;

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. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

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;

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. RIBs Bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) 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. 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, 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 RIBs 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 for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

15. 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 IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the 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;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Since the Allotment will be in demat 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;

22. 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. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

23. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

26. 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;

27. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form; and

28. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs 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).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

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 Non-Institutional Bidders);

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 RIB 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 RIB;

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 Non-Institutional Bidder. Retail Individual Bidders 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 RIB 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; and

26. Do not Bid if you are an OCB.

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/demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer. For details of our Company Secretary and Compliance Officer, see "*General Information*" on page 54.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, 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 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 one per cent of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders 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 Retail Individual Bidders shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders 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 between our Company, the Selling Shareholders and 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: (i) [●] editions of [●], an English national daily newspaper, (ii) [●] editions of [●], a Hindi national daily newspaper, and (iii) [●] editions of [●], a Telugu newspaper, Telugu being the regional language of Telangana, where our Registered and Corporate 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.

The above information is given for the benefit of the Bidders/applicants. Our Company, 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, 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.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and 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 six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI;

- 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 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;

- Except for Equity Shares that may be allotted pursuant to the conversion of employee stock options granted under the ESOP Plan 2019 and ESOP Scheme 2019 and the Equity Shares allotted pursuant to the Offer, no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

- Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, 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 and the Selling Shareholders, in consultation with the BRLMs withdraws 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.

Undertakings by each of the Selling Shareholders

Each of the Selling Shareholders undertakes in respect of itself as a selling shareholder and its respective portion of the Equity Shares offered by it in the Offer for Sale that:

- the Equity Shares offered for sale by each of the Selling Shareholders in the Offer are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations;

- the Equity Shares being offered for sale by the Selling Shareholders pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer;

- it shall deposit its Equity Shares offered for sale in the Offer in an escrow demat in accordance with the share escrow agreement to be executed between the parties to such share escrow agreement;

- that it shall provide such reasonable assistance to our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;

- it shall provide such reasonable cooperation to our Company in relation to the Equity Shares offered by it in the Offer for Sale for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges; and

- it shall not have recourse to the proceeds of the Offer until final approval for trading of the Equity Shares from the Stock Exchanges has been received.

The decisions with respect to the Price Band, the minimum Bid lot, revision of Price Band, Offer Price, will be taken by our Company and the Selling Shareholders in consultation with the BRLMs.

Utilisation of Offer Proceeds

Our Board of Directors certifies and declares that:

- all monies received out of the Fresh Issue 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, 2013;

- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, 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 unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested.

The Company and each of the Selling Shareholders, specifically confirm and declare that all monies received out of the Offer shall be transferred to a separate bank account other than the bank account referred to in sub-section 3 of Section 40 of the Companies Act, 2013.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 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, 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 Circular of 2017 ("**FDI Policy**"), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI that were in force and effect as on August 27, 2017. The FDI Policy will be valid until the DPIIT issues an updated circular.

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 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.

As per the existing policy of the Government of India, OCBs cannot participate in this 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, the FDI Policy issued and amended by way of press notes.

In terms of the FDI Policy, foreign direct investment in brownfield pharmaceuticals up to 74% is permitted under the automatic route and beyond 74% is permitted under the government approval route. Further, foreign direct investment in greenfield pharmaceuticals up to 100% is permitted under the automatic route. 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, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval.

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 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% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

The Equity Shares 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 in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to U.S. QIBs in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder.

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 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 VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles of Association of our Company comprise of three parts, Part A, Part B and Part C, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall be applicable. In case of inconsistency between Part A and Part C, the provisions of Part C shall be applicable.

Part B and Part C shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of our Company on a recognized stock exchange in India 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 our Company or by its shareholders.

PART A

Authorised Share Capital

The authorized share capital of the Company shall be such amounts, divided into such classes, and kinds of Securities in the Company, as may, from time to time be provided in Clause V of the MoA. The Company at a general meeting may, from time to time, increase or reduce the authorized share capital in accordance with the Articles of Association and the Companies Act, with the powers to divide the share capital into several classes and attach thereto respectively such ordinary, preferential or special rights and conditions, as permitted by applicable law.

Alteration of Capital

Subject to the provisions of the Companies Act, the Company may, by ordinary resolution, from time to time:

a. Increase its authorised share capital by such amount as it deems expedient;

b. Consolidate and divide all or any its share capital into shares of larger amount than its existing shares;

c. convert all or any of its fully paid-up Securities into stock, and reconvert that stock into fully paid-up Securities of any denomination;

d. sub-divide its Securities or any of them into Securities of smaller amount than fixed by the Memorandum; so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Security shall be the same as it was in the case of the Security from which the reduced Security is derived; and / or

e. cancel any Securities which, at the date of passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of the total value of Securities by the amount of the Securities so cancelled.

Allotment of Shares

Subject to the provisions of the Companies Act and the Articles of Association, the shares in the share capital of the Company (including any shares forming part of any increased share capital of the Company) and the other Securities shall be under the control of the Board 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 and at such time as they may from time to time think fit, and in any manner as may be permitted under the Companies Act, including by way of a preferential allotment / private placement basis, and with the sanction of the Company in the General Meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit, and any Securities which may be so allotted may be issued, as fully paid-up Securities and if so issued shall be deemed to be fully paid-up Securities. The Board shall cause the Company to file the return of allotments as required under the Companies Act.

Further Issue of Shares

Where at any time the Board or the Company, as the case may be, propose to increase the subscribed capital by the issue of further shares then such shares shall be offered, subject to the provisions of section 62 of the Companies Act, and the rules made thereunder:

(A)

(i) to the persons who at the date of the offer are holders of the Equity Shares of the Company, in proportion as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions mentioned in (ii) to (iv) below;

(ii) The offer aforesaid shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer, within which the offer if not accepted, shall be deemed to have been declined.

Provided that the notice shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to all the existing shareholders at least three days before the opening of the issue;

(iii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (ii) shall contain a statement of this right;

(iv) After the expiry of time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that the person declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the Members and the Company;

(B) to any person(s), if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (A) above either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the Act and the rules made thereunder;

(1) Nothing in clause (A) shall be deemed:

(i) To extend the time within which the offer should be accepted; or

(ii) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares compromised in the renunciation.

(2) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares in the Company or to subscribe for shares of the Company:

Provided that the terms of issue of such debentures or loans include a term providing for such option and such term: (a) either has been approved by the Government before the issue of debentures or the raising of the loans or is in conformity with rules, if any, made by the Government in this behalf; and (b) in the case of debentures or loans or other than debentures issued to or loans obtained from the Government or any institution specified by the Government in this behalf, has also been approved by the special resolution passed by the company in the general meeting before the issue of the loans.

Forfeiture and Lien

Subject to the provisions of the Companies Act, the Company shall have a first and paramount lien on every Security/ debenture (not being a fully paid share / debenture) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share / debenture and no equitable interest in any share shall be created upon the footing and condition that this article will have full effect. The Company may sell, in such manner as the Board thinks fit, any Security on which the Company has a lien: provided that no sale shall be made until the expiration of 14 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 of the Security.

Certificate

Every person whose name is entered as a member in the register of members be entitled to receive within one month after the application for the registration of the transfer or transmission of any share (or with such other period as the conditions of issue shall provide):

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for every certificate after the first.

If any share certificate be worn-out or 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, the Company may order the same to be cancelled and a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed then, upon proof thereof to the satisfaction of the Company and on such indemnity as the Company deems adequate, a new certificate in lieu thereof shall be given to the registered holder of the shares to which such lost or destroyed certificate shall relate.

Every certificate of shares shall be under the Seal of the Company and shall specify the shares to which it relates and the amount paid-up thereon.

No fee will be charged by the Company for transfer and transmission of Securities. 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.

Transfer of Shares

The instrument of transfer of any physical Security shall be in writing and all the provisions of the Companies Act shall be duly complied with in respect of all transfer of Securities and registration thereof. The Company shall use the form of transfer, as prescribed under the Companies Act, in all cases. In case of transfer of Securities, where the Company has not issued any certificates and where the Securities are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply. The Board may decline to recognize any instrument of transfer unless the instrument of transfer is in the form prescribed under the Companies Act, is in respect of only one class of Securities and is accompanied by the certificate of Security 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.

Transmission of shares

On the death of a member, the survivor or survivors where the member was a joint holder, and his legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his/ her interest in the Securities.

Subject to the provisions of the Companies Act and the Articles of Association, any person becoming entitled to any Security 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 Security; or

b. to make such transfer of the Security as the deceased or the insolvent member could have made.

A person becoming entitled to any Security 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 Security, except that he shall not before being registered as a member, in respect of the Security be entitled 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 transfer the Security, and if the requirements of the notice are not complied with within 90 days, the Board may, thereafter, withhold payment of all dividends, bonus, or other monies payable in respect of the Security until the requirements of the notice have been complied with.

Borrowing Powers

The Board may, from time to time and with the consent of the Company in the General Meeting, borrow monies where the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from Company's bankers in the ordinary course of business), will exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose

General Meetings

All General Meetings of the Company other than the annual general meeting shall be called an extra-ordinary general meeting. The notice of a General Meeting shall be given to the members of the Company, the persons entitled to a share in consequence of the death or insolvency of a Member, the Directors of the Company and the auditors for the time being of the Company.

Meetings of Directors

The Board may meet for the dispatch of business from time to time and at least four such meetings shall be held in every year in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they may think fit in accordance with the Articles of Association and the Companies Act.

Notice of at least seven days, in writing of every meeting of the Board shall be given to every Director and every alternate Director at his usual address whether in India or abroad. The notice shall include the time, venue and agenda of such meeting.

A meeting of the Board for the time being where a quorum, as per the Companies Act and the Articles of Association is present, shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of Association for the time being vested in or exercisable by the Board generally.

Managing Directors

Subject to the provision of the Companies Act, and the Articles of Association the Board may, from time to time, appoint one or more Directors to be managing Director/s or whole-time Director/s of the Company for such period not exceeding five years at a time. The Board shall fix from time to time, the terms, remuneration, authorities and powers of the managing Director/s and whole-time Director/s.

Appointment of Directors

The Board of Directors may, from time to time and at any time appoint a person as an additional Director, who shall hold office until the next annual general meeting of the Company but shall be eligible for re-election by the Company at that meeting provided that the number of Directors including such additional Directors shall not exceed the maximum strength fixed by the Articles of Association. 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 Companies Act and the Articles of Association. Subject to the provisions of the Companies Act, the Board shall have power at any time from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only up to which, the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid. Subject to the provisions of the Companies Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto in accordance with the Companies Act.

Votes of Members

Subject to any rights or restrictions for the time being attached to any class or classes of shares:

a. on a show of hands, the voting rights of members shall be in proportion to his share in the paid up equity share capital of the Company; 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.

Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself.

No member shall be entitled to be present or to vote at any general meeting either personally or by proxy or attorney whilst any calls or other moneys are due and presently payable to the Company on the Securities of such member or in regard to which the Company has exercised any right of lien.

Dividend

The Company in the annual general meeting may declare the dividends, but no dividend shall exceed the amount recommended by the Board. The Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Securities during any portion or portions of the period in respect of which the dividend is paid; but if any Security is issued on terms providing that it shall rank for valid dividend as from a particular date such Security shall rank for dividend accordingly.

No dividend shall bear interest against the Company.

Unpaid or Unclaimed Dividend

No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by Applicable Law and the Company shall comply with the provisions of the Applicable Laws in respect of such dividend.

Winding Up

Subject to the provisions of applicable law, 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. 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. 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

Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in relation to the business of the Company in defending any proceeding whether civil or criminal in which judgement is given in his favour or in which he is acquitted or in connection with any application under the provisions of the Companies Act in which relief is granted to him by the court. Every Director, manager, auditor, trustee, member of a committee officer, servant, agent, accountant or other person employed in the business of the Company shall observe a strict secrecy respecting all transactions and matters relating thereon and shall not reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by a meeting or by account of Applicable law and except so far as may be necessary in order to comply with any of the provisions in the Articles of Association.

PART B

Part B of the Articles of Association of the Company provides for the rights and obligations of the parties to the Continuing Shareholders SHA and the Continuing Shareholders WCA, entered into between the Company, Fosun Singapore and Continuing Shareholders.

In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India 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 C

Part C of the Articles of Association of the Company provides for the rights and obligations of the parties to the Existing Investors SHA and the Existing Investors WCA, entered into between the Company, Fosun Singapore and the Existing Investors.

In case of inconsistency or contradiction, conflict or overlap between Part A and Part C, the provisions of Part C shall, subject to applicable law, prevail and be applicable. However, Part C shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India 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.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus/ 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 and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

a) Offer Agreement dated July 10, 2020 amongst our Company, the Selling Shareholders and the BRLMs.

b) Registrar Agreement dated June 29, 2020 amongst our Company, the Selling Shareholders and the Registrar to the Offer.

c) Cash Escrow and Sponsor Bank Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Account Bank and the Refund Bank(s).

d) Share Escrow Agreement dated [●] amongst the Selling Shareholders our Company and the Share Escrow Agent.

e) Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, and Syndicate Members.

f) Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

a) Certified copies of updated MoA and AoA of our Company, updated from time to time.

b) Certificate of incorporation dated March 20, 1978 issued to our Company, under the name Gland Pharma Private Limited by the RoC.

c) Fresh certificate of incorporation dated April 25, 1995 issued by the RoC, consequent upon change from Gland Pharma Private Limited to Gland Pharma Limited, pursuant to conversion to a public limited company.

d) Resolutions of the Board of Directors dated November 1, 2019, authorising the Offer and other related matters.

e) Shareholders' resolution dated June 23, 2020, in relation to the Fresh Issue and other related matters.

f) Resolution of the Board of Directors dated July 10, 2020, approving the DRHP.

g) Resolution of the board of directors of Fosun Singapore dated June 10, 2020, consenting to participate in the Offer for Sale.

h) Resolution of the board of directors of Gland Celsus dated June 22, 2020, consenting to participate in the Offer for Sale.

i) Resolution dated June 22, 2020 of the board of directors of RP Advisory Services Private Limited, trustee of Empower Discretionary Trust, consenting to participate in the Offer for Sale on its behalf.

j) Resolution dated June 22, 2020 of the board of directors of RP Advisory Services Private Limited, trustee of Nilay Discretionary Trust, consenting to participate in the Offer for Sale on its behalf.

k) Consent letter dated June 30, 2020 provided by Fosun Singapore, consenting to participate in the Offer for Sale.

l) Consent letter dated July 10, 2020 provided by Gland Celsus, consenting to participate in the Offer for Sale.

m) Consent letter dated July 10, 2020 provided by Empower Trust, consenting to participate in the Offer for Sale.

n) Consent letter dated July 10, 2020 provided by Nilay Trust, consenting to participate in the Offer for Sale.

o) Shareholders' agreement dated July 28, 2016 entered into amongst Jeshta Farms Private Limited, Satabisha Agro Private Limited, Sravana Agro Private Limited, Rohini Bio-Tech Private Limited, Chitta Farms Private Limited,

Punarvasu Bio-Tech Private Limited, Hastha Agro-Tech Private Limited, Hansagiri Greenlands Private Limited, Arunagiri Agro-Farms Private Limited, Vishnupadi Greenlands Private Limited, our Company and Fosun Singapore, as amended by the amendment agreement dated September 15, 2017 and the waiver cum amendment agreement dated June 22, 2020.

p) Amended and restated shareholders' Agreement dated September 15, 2017 entered into amongst our Company, Fosun Singapore and Gland Celsus Bio Chemicals Private Limited, RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Nilay Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Odin Discretionary Trust), and the trustees of Rivendell Discretionary Trust, as amended by the amendment no.1 dated January 24, 2019 and the waiver cum amendment agreement dated June 22, 2020.

q) Amended and restated tag-along agreement dated September 15, 2017 entered into amongst our Company, Gland Celsus Bio Chemicals Private Limited, RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Nilay Discretionary Trust), RP Advisory Services Private Limited (as trustee of the Odin Discretionary Trust), and the trustees of Rivendell Discretionary Trust, Jeshta Farms Private Limited, Satabisha Agro Private Limited, Sravana Agro Private Limited, Rohini Bio Tech Limited, Chitta Farms Private Limited, Punarvasu Biotech Private Limited, Hastha Agro-Tech Private Limited, Hansagiri Greenlands Private Limited, Vishnupadi Greenlands Private Limited and Arunagiri Agro-Farms Private Limited and the amendment agreement dated June 22, 2020.

r) Share purchase agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma, Fosun Singapore, KKR Floorline Investments Pte. Ltd., Gland Celsus Bio Chemicals Private Limited, Ethigen Labs Private Limited, Questar Laboratories Private Limited, PVN Raju and K. Jhansi Lakshmi (as trustees of Surya Trust), RP Advisory Services Private Limited (as trustee of the Empower Discretionary Trust), RP Advisory Services Private Limited (as trustee of Nilay Discretionary Trust), K. Jhansi Lakshmi and Ravindranath Penmetsa, as amended by Amendment No. 1, Amendment No. 2 and Amendment No. 3 to the share purchase agreement dated July 28, 2016.

s) Share purchase agreement dated July 28, 2016 entered into amongst our Company, Fosun Singapore, Shanghai Fosun Pharma, Fosun Industrial Co., Limited, Ample Up Limited, Lustrous Star Limited, Regal Gesture Limited, Udo Johannes Vetter, Bianca Maria Vetter, Cornelia Vetter Kerkhoff, Klaus Schoenwetter and Kaara Radon, as amended by Amendment No. 1 to the Vetter SPA

t) Share Subscription Agreement dated July 28, 2016 entered into amongst our Company, Shanghai Fosun Pharma and Fosun Singapore and Amendment No. 1 to the Subscription Agreement

u) Buy-back agreement dated July 28, 2016 entered into amongst our Company, Elem Investments Private Limited, Fincity Investments Private Limited, Highgrace Investment Private Limited and Veeyes Investments Private Limited, as amended by amendment no. 1 dated April 24, 2017, amendment no. 2 dated July 27, 2017 and amendment no. 3 dated September 15, 2017

v) Resolutions of the Board and Shareholders dated April 25, 2019 and May 24, 2019, respectively, approving the appointment of Srinivas Sadu as the MD and CEO.

w) Copies of the annual reports of our Company for the Fiscals 2019 and 2018, and the audited financial statements of the Company for the Fiscal 2020.

x) The examination report dated June 18, 2020 of the Statutory Auditors on our Restated Financial Information.

y) The statement of possible special tax benefits dated July 8, 2020 from the Statutory Auditors.

z) Written consent of the Directors, the Book Running Lead Managers, the Syndicate Members, Legal Counsel to the Company and the Other Selling Shareholders as to Indian Law, Legal Counsel to the Promoter Selling Shareholder as to Indian Law, Legal Counsel to the BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Selling Shareholders, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Account Bank(s), Refund Bank(s), Sponsor Bank, Company Secretary and Compliance Officer as referred to in their specific capacities.

aa) Written consent dated July 10, 2020 from S.R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under section 26 (1) 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 Auditors, and in respect of their (i) examination report, dated June 18, 2020 on our Restated Financial Information; and (ii) their report dated July 8, 2020 on the statement of tax benefits 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.

bb) Report titled 'Global Injectable Industry Overview' dated July 8, 2020 issued by IQVIA Consulting and Information Services India Private Limited.

cc) Written consent dated July 9, 2020 of IQVIA Consulting and Information Services India Private Limited.

dd) Chartered engineer certificate dated June 10, 2020 issued by K.V. Sastry, Chartered Engineer.

ee) Certificate dated June 3, 2020 issued by Rajeshwari & Associates, Trademark and Patent Attorneys.

ff) Due diligence certificate dated July 10, 2020 addressed to SEBI from the BRLMs.

gg) In-principle listing approvals dated [●] and [●], issued by BSE and NSE, respectively.

hh) SEBI observation letter dated [●].

ii) Tripartite agreement dated March 19, 2020 amongst our Company, NSDL and Bigshare Services Private Limited.

jj) Tripartite agreement dated May 23, 2016 amongst our Company, CDSL and Bigshare Services Private Limited.

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

We 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 guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Yiu Kwan Stanley Lau _____
Chairman and Independent Director

Srinivas Sadu _____
MD and CEO

Qiyu Chen _____
Non-Executive Nominee Director

Li Dongming _____
Non- Executive Nominee Director

Xiaohui Guan _____
Non- Executive Nominee Director

Yiran Peng _____
Non- Executive Nominee Director

Udo Johannes Vetter _____
Non- Executive Nominee Director

Moheb Ali Mohammed _____
Independent Director

Satyanarayana Murthy Chavali _____
Independent Director

SIGNED BY CHIEF FINANCIAL OFFICER

_____

Ravi Shekhar Mitra

Place: Hyderabad

Date: July 10, 2020

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct. The undersigned assumes no responsibility as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Draft Red Herring Prospectus.

_____

Signed for and on behalf of **Fosun Pharma Industrial Pte. Ltd**

Name: YAO Fang

Designation: Director

Date: July 10, 2020

Place: Shanghai

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct.

_____

Signed for and on behalf of **GLAND CELSUS BIO CHEMICALS PRIVATE LIMITED**

Name: PENMETSA RAVINDRANATH

Designation: Director

Date: July 10, 2020

Place: Hyderabad

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct.

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Signed for and on behalf of **EMPOWER DISCRETIONARY TRUST**

Name: PENMETSA RAVINDRANATH

Designation: Director (Trustee – RP Advisory Services Private Limited)

Date: July 10, 2020

Place: Hyderabad

DECLARATION

The undersigned Selling Shareholder confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as a Selling Shareholder and its portion of the Offered Shares, are true and correct.

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Signed for and on behalf of **NILAY DISCRETIONARY TRUST**

Name: PENMETSA RAVINDRANATH

Designation: Director (Trustee – RP Advisory Services Private Limited)

Date: July 10, 2020

Place: Hyderabad