

# Indegene®

## INDEGENE LIMITED



(Please scan this QR code to view the Prospectus)

Our Company was incorporated as 'Indegene Lifesystems Private Limited' at Ahmedabad, Gujarat, as a private limited company, under the Companies Act, 1956, pursuant to a certificate of incorporation dated October 16, 1998, issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli at Ahmedabad. Thereafter, the registered office of our Company was shifted from Gujarat to Karnataka in June 2003, and then, from Karnataka to Maharashtra in May 2014. Further, pursuant to a resolution passed by our Shareholders at the EGM held on February 29, 2016 the name of our Company was changed to 'Indegene Private Limited' and a fresh certificate of incorporation was issued by the Registrar of Companies, Maharashtra at Mumbai on May 26, 2016. The name of our Company was changed to better reflect the nature of business undertaken by our Company. Thereafter, the registered office of our Company was shifted from Maharashtra to Karnataka in February 2017. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a special resolution passed by our Shareholders at the EGM held on November 7, 2022 and the name of our Company was changed to 'Indegene Limited' and a fresh certificate of incorporation was issued to our Company by the Registrar of Companies, Karnataka at Bengaluru ("RoC"), on November 17, 2022. For further details on the changes in the name and registered office of our Company, see "History and Certain Corporate Matters - Brief History of our Company" and "History and Certain Corporate Matters - Changes in the registered office" on page 170 of the Prospectus dated May 9, 2024 filed with the RoC ("Prospectus").

Registered and Corporate Office: Aspen Block G4, 3<sup>rd</sup> Floor, Manyata Embassy Business Park, Outer Ring Road, Nagawara, Bengaluru - 560 045, Karnataka, India; Tel: +91 80 4674 4567 / +91 80 4644 7777; Website: www.indegene.com; Contact person: Srishti Ramesh Kaushik, Company Secretary and Compliance Officer; E-mail: compliance.officer@indegene.com; Corporate Identity Number: U73100KA1998PLC102040

### OUR COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND DOES NOT HAVE AN IDENTIFIABLE PROMOTER

Our Company has filed the Prospectus dated May 9, 2024 with the RoC (the "Prospectus") and the Equity Shares (as defined below) are proposed to be listed on the Main Board platform of Stock Exchanges and the trading is expected to commence on May 13, 2024.

### BASIS OF ALLOTMENT

INITIAL PUBLIC OFFERING OF 40,766,550 EQUITY SHARES OF FACE VALUE OF ₹2 EACH ("EQUITY SHARES") OF INDEGENE LIMITED (OUR "COMPANY" OR THE "COMPANY") FOR CASH AT A PRICE OF ₹452 PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹450 PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING ₹18,417.59 MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF 16,833,818 EQUITY SHARES AGGREGATING TO ₹7,600 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF 23,932,732 EQUITY SHARES AGGREGATING TO ₹10,817.59 MILLION (THE "OFFER FOR SALE"), CONSISTING OF 1,118,596 EQUITY SHARES AGGREGATING TO ₹505.61 MILLION BY MANISH GUPTA, 3,233,818 EQUITY SHARES AGGREGATING TO ₹1,461.69 MILLION\* BY DR. RAJESH BHASKARAN NAIR, 1,151,454 EQUITY SHARES AGGREGATING TO ₹520.46 MILLION BY ANITA NAIR (COLLECTIVELY WITH MANISH GUPTA AND DR. RAJESH BHASKARAN NAIR, THE "INDIVIDUAL SELLING SHAREHOLDERS"), 3,600,000\* EQUITY SHARES AGGREGATING TO ₹1,627.20 MILLION BY VIDA TRUSTEES PRIVATE LIMITED, 2,657,687 EQUITY SHARES AGGREGATING TO ₹1,201.27 MILLION BY BPC GENESIS FUND I SPV, LTD., 1,378,527 EQUITY SHARES AGGREGATING TO ₹623.09 MILLION BY BPC GENESIS FUND I-A SPV, LTD., AND 10,792,650 EQUITY SHARES AGGREGATING TO ₹4,878.28 MILLION BY CA DAWN INVESTMENTS (COLLECTIVELY WITH VIDA TRUSTEES PRIVATE LIMITED, BPC GENESIS FUND I SPV, LTD AND BPC GENESIS FUND I-A SPV, LTD., THE "INVESTOR SELLING SHAREHOLDERS" AND COLLECTIVELY WITH THE INDIVIDUAL SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS" AND SUCH EQUITY SHARES, THE "OFFERED SHARES"), THE OFFER INCLUDES A RESERVATION OF 296,208 EQUITY SHARES, AGGREGATING TO ₹125.00 MILLION (CONSTITUTING 0.12% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL), FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). OUR COMPANY, IN CONSULTATION WITH THE BRLMS OFFERED A DISCOUNT OF ₹30 PER EQUITY SHARE TO ELIGIBLE EMPLOYEES WHO BID IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HERINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER CONSTITUTE 17.04% AND 16.91% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

ANCHOR INVESTOR OFFER PRICE: ₹452 PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH  
OFFER PRICE: ₹452<sup>A</sup> PER EQUITY SHARE OF FACE VALUE OF ₹2 EACH  
THE OFFER PRICE IS 226 TIMES THE FACE VALUE OF THE EQUITY SHARES.

<sup>A</sup> A DISCOUNT OF ₹30 PER EQUITY SHARE WAS OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION.

### RISKS TO INVESTORS

- Industry concentration risk:** All of our revenues are earned from clients in the life sciences industry, a significant portion (93.29% of revenue from operations for the nine months ended December 31, 2023) of which is attributable to clients in the biopharmaceutical industry. Consequently, demand for our solutions, depend on, among other things: (i) the pace of growth of the life sciences industry; and (ii) trends in the life sciences industry, including outsourcing trends, healthcare reform and the pace of digitization.
- Client concentration risk:** We have in the past derived, and we believe that we will continue to derive, a significant portion of our revenue from certain large clients. The following table sets forth our revenues from operations from our top five customers and top ten customers in absolute terms and as a percentage of total revenue from operations.

(₹ in million, except percentages)

	For the nine months ended December 31,			
	2023		2022	
Revenue from operations from top five customers	9,154.30	47.76%	8,255.32	49.32%
Revenue from operations from top ten customers	12,784.85	66.71%	11,277.75	67.37%

Excludes revenue from discontinued operations.

(₹ in million, except percentages)

	For the Financial Year					
	2023		2022		2021	
Revenue from operations from top five customers	11,344.67	49.19%	9,175.76	55.12%	5,446.52	56.37%
Revenue from operations from top ten customers	15,450.68	67.00%	11,927.15	71.65%	6,949.95	71.93%

Excludes revenue from discontinued operations.

- Prospective investors may be less familiar with our business compared to those of other service providers, such as IT/BPO service providers or product or platform organizations, who may serve a diversified client base across various industries.**
- Higher dependence on subsidiaries:** The majority of our revenues are derived from our Subsidiaries. Set forth below are our revenues from our Subsidiaries also expressed as a percentage of our Company's total revenue from operations.

	For the nine months ended December 31,		For the Financial Year		
	2023	2022	2023	2022	2021
Indegene Limited	6.46%	7.87%	7.21%	7.95%	20.61%
Indegene, Inc.	79.56%	86.19%	85.07%	87.36%	75.35%
Other subsidiaries	13.98%	5.95%	7.72%	4.69%	4.04%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Excludes revenue from discontinued operations.

- Competition risk:** The life sciences operations industry is highly competitive. Our future growth and success will depend on our ability to successfully compete with other companies that provide similar solutions in the same markets, some of which may have financial, marketing, technical and other advantages.
- Objects related risks:** We propose to utilize approximately 54.99% of the Net Proceeds by way of investments in our Subsidiaries by way of debt, subject to applicable laws, towards identified objects of the Offer. As our Subsidiaries are subject to, and have to ensure compliance with, the laws of the countries in which they are incorporated, the utilization of such funds by our Subsidiaries would be subject to the requirements of the laws of the countries in which our Subsidiaries are incorporated and accordingly we may have limited control over the manner in which such funds are utilized by our Subsidiaries.
- Employee dependency related risk:** Our business depends upon our ability to attract, develop, motivate, retain and effectively utilize skilled professionals.

(₹ in million, except percentages)

	For the nine months ended December 31,		For the Financial Year		
	2023	2022	2023	2022	2021
Employee benefits expense	12,232.42	10,472.84	14,647.57	10,143.43	5,355.96
Employee benefits expense as a percentage of total expenses	74.38%	72.98%	73.20%	71.58%	69.72%
Employee benefits as a percentage of total income	62.10%	60.93%	61.96%	60.00%	53.73%

- Pricing risk:** If we underprice our work orders, overrun our cost estimates, or fail to receive approval for or experience delays in documentation of change orders, our business, financial condition, results of operations, or cash flows may be adversely affected.

- In the audit report issued by our Company's statutory auditors for the Financial Year 2022, our statutory auditors have included an emphasis of matter to draw attention to the fact that in accordance with the Scheme of Arrangement approved by the NCLT, our Company has given effect to the Scheme from a retrospective appointment date which overrides the relevant requirement of accounting principles generally accepted in India. In addition, the audit report issued for our audited special purpose consolidated interim financial statements as of and for the**

nine months ended December 31, 2022 and December 31, 2023 includes an emphasis of matter paragraph stating that such special purpose consolidated interim financial statements have been prepared for the purpose of preparation of the Restated Consolidated Financial Information in connection with this Offer and, as a result, may not be suitable for any other purpose.

- New business procurement risk:** Our business is dependent on our ability to generate engagements for providing solutions to our clients and the prices that we are able to charge for provision of such solutions. We typically enter into master service agreements ("MSAs") with our clients ranging from one to three years, which broadly set out terms of our engagements, and we execute separate work orders for individual engagements setting out commercial terms. Our inability to generate new engagements on a timely basis and subsequently execute work orders for such engagements could impact our business.
- Price/ Earning (P/E) ratio based on diluted EPS for Financial Year 2023 for the issuer at the Cap price of the Price band is 37.76 times.** There are no listed companies in India and globally that engage in a business that is similar to that of our Company. Accordingly, we have not provided an industry comparison in relation to our Company.
- International operations related risk:** Our international operations expose us to complex management, legal, tax and economic risks, and exchange rate fluctuations, which could adversely affect our business, financial condition and results of operations.
- Weighted Average Return on Net Worth for Financial Year ended 2023, 2022 and 2021 is 27.37%.**
- Weighted average cost of acquisition for the Equity Shares transacted by Selling Shareholders and Shareholders with special right to nominate one or more directors on the Board of the Company and in the 1 year, 18 months and 3 years preceding the date of the Prospectus is as follows:**

Period	Weighted Average Cost of Acquisition (in ₹)	Cap Price is 'X' times the Weighted Average Cost of Acquisition	Range of acquisition price: Lowest Price - Highest Price (in ₹)
Last one year	N.A.	N.A.	N.A.
Last 18 months	N.A.	N.A.	N.A.
Last three years	N.A.	N.A.	N.A.

As certified by Manian & Rao, Chartered Accountants pursuant to certificate dated May 9, 2024.

- The average cost of acquisition per Equity Share by the Selling Shareholders as on the date of the Prospectus is as follows:**

Name	Number of Equity Shares	Average cost of acquisition per Equity Share <sup>(1)</sup> (in ₹)
<b>Individual Selling Shareholders</b>		
Manish Gupta	22,575,672	0.05
Dr. Rajesh Bhaskaran Nair	20,301,204	0.11
Anita Nair	1,376,298	Negligible <sup>(2)</sup>
<b>Investor Selling Shareholders</b>		
Vida Trustees Private Limited (Trustee of Fig Tree Trust) in its capacity as partner of Group Life Spring	9,188,802	93.71 <sup>(3)</sup>
BPC Genesis Fund I SPV, Ltd.	17,717,910	201.48
BPC Genesis Fund I-A SPV, Ltd.	9,190,178	201.48
CA Dawn Investments	45,531,837	201.48

<sup>1)</sup> As certified by Manian & Rao, Chartered Accountants, by way of certificate dated May 9, 2024.

<sup>2)</sup> Less than 0.01.

<sup>3)</sup> During the year ended March 31 2021, the Group has demerged its Commercial Software Business ('Demerged Business') pursuant to a scheme of arrangement ("Scheme") for transfer of the Demerged Business to OT Services Private Limited ("Resulting Company"). The Resulting Company issued either its equity or redeemable preference shares in consideration to each shareholder of the Group on a proportionate basis. The Scheme has been approved by the National Company Law Tribunal ("NCLT") with the appointed date of October 1, 2020. The consideration paid by Vida Trustees for acquisition of OCCPS in the company has been proportionately adjusted to give impact of the demerger for the purpose of calculating weighted average cost of acquisition.

- WACA, Floor Price and Cap Price**

Past Transactions	Weighted average cost of acquisition (in ₹)	Floor Price (in ₹)	Cap Price (in ₹)
WACA of Primary Transactions	Nil	N.A.	N.A.
WACA of Secondary Transactions	437.03	0.98 times	1.03 times

As certified by Manian & Rao, Chartered Accountants pursuant to certificate dated May 9, 2024

- The 4 BRLMs associated with the Offer have handled 26 public issues in the past three years out of which 5 issues closed below the issue price on listing date.**

Name of the BRLMs	Total Issues	Issues closed below IPO Price on listing date
Kotak Mahindra Capital Company Limited*	11	1
Citi Global Markets India Private Limited*	2	-
J.P. Morgan India Private Limited*	1	-
Nomura Financial Advisory and Securities (India) Private Limited*	2	1
Common Issues handled by the BRLMs	10	3
<b>Total</b>	<b>26</b>	<b>5</b>

\*Issues handled where there were no common BRLMs

