

Syngene



SYNGENE INTERNATIONAL LIMITED

Our Company was incorporated as Syngene International Private Limited on November 18, 1993 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Pursuant to a special resolution of the shareholders dated March 26, 2007, our Company was converted into a public limited company and the name of our Company was changed to Syngene International Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on April 19, 2007. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 137.

Registered and Corporate Office: Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bengaluru 560 099, Karnataka, India

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Corporate Identification Number: U51909KA1993PLC014937

OUR PROMOTER: BIOCON LIMITED

INITIAL PUBLIC OFFER OF UP TO 22,000,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SYNGENE INTERNATIONAL LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) ("OFFER PRICE") THROUGH AN OFFER FOR SALE BY BIOCON LIMITED (THE "SELLING SHAREHOLDER") ("OFFER / OFFER FOR SALE") AGGREGATING UP TO ₹[●] MILLION INCLUDING A RESERVATION OF 2,000,000 EQUITY SHARES FOR SUBSCRIPTION BY BIOCON SHAREHOLDERS FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE AGGREGATING UP TO ₹[●] MILLION (THE "BIOCON SHAREHOLDERS RESERVATION PORTION"). THE OFFER WILL CONSTITUTE 11.0% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL AND THE NET OFFER SHALL CONSTITUTE 10.0% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY ALONG WITH THE SELLING SHAREHOLDER MAY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS"), OFFER A DISCOUNT OF UP TO [●]% (EQUIVALENT TO ₹[●]) ON THE OFFER PRICE TO RETAIL INDIVIDUAL BIDDERS AND BIOCON SHAREHOLDERS ("RETAIL DISCOUNT").

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND, RETAIL DISCOUNT AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN [●] EDITIONS OF [●], [●] EDITIONS OF [●] AND [●] EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND KANNADA NEWSPAPERS RESPECTIVELY, KANNADA BEING THE LOCAL LANGUAGE OF KARNATAKA, WHERE OUR REGISTERED OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate.

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is a Net Offer for at least 10% of the post Offer paid-up equity share capital of our Company. The Offer is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), through the Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company and the Selling Shareholder may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, may participate in this Offer through an Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). QIBs (except Anchor Investors), Non-Institutional Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 are mandatorily required to utilise the ASBA process to participate in this Offer. For details, see "Offer Procedure" on page 265.

RISK 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 ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company in consultation with the BRLMs as stated in "Basis for Offer Price" on page 88) 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 an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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 the "Risk Factors" on page 16.

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 the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility that this Draft Red Herring Prospectus contains all information about itself and the Equity Shares offered as a Selling Shareholder in the context of the Offer for Sale and further assumes responsibility for statements in relation to it and that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

REGISTRAR TO THE OFFER

Axis Capital Limited 1 st floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg, Worli Mumbai 400 025 Maharashtra, India Tel: (+91 22) 4325 2183 Fax: (+91 22) 4325 3000 E-mail: syngene.ipo@axiscap.in Investor Grievance E-mail: complaints@axiscap.in Website: www.axiscapital.co.in Contact Person: Kanika Goyal SEBI Registration No.: INM000012029	Credit Suisse Securities (India) Private Limited 9 th Floor, Ceejay House Plot F, Shivsagar Estate Dr. Annie Besant Road, Worli Mumbai 400 018 Maharashtra, India Tel: (+91 22) 6777 3777 Fax: (+91 22) 6777 3820 E-mail: list.ibdprojectsilver2015@credit-suisse.com Investor Grievance E-mail: list.igcellmer-bnkg@credit-suisse.com Website: https://www.credit-suisse.com/in/IPO/ Contact Person: Mukti Hariharan SEBI Registration No.: INM000011161	Jefferies India Private Limited 42/43, 2 North Avenue Maker Maxity, Bandra-Kurla Complex Bandra (East) Mumbai 400 051 Maharashtra, India Tel: (+91 22) 4356 6000 Fax: (+91 22) 6765 5595 E-mail: syngene.ipo@jefferies.com Investor Grievance E-mail: india.investor.grievance@jefferies.com Website: www.jefferies.com Contact Person: Ranjan Prabhu SEBI Registration No.: INM000011443	Karvy Computershare Private Limited Karvy Selenium Tower B Plot 31-32, Gachibowli Financial District, Nanakramguda Hyderabad 500 032 Tel: (+91 40) 6716 2222 Fax: (+91 40) 2300 1153 Email : einward.ris@karvy.com Investor Grievance E-mail: syngene.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: M. Murali Krishna SEBI Registration No.: INR000000221

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON (FOR QIBs)	[●] ⁽²⁾
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

⁽¹⁾ Our Company and the Selling Shareholder may, in consultation with the BRLMs, 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 Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

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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 or regulation shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company” “the Issuer”, “we”, “us” or “our” or “Syngene”	Syngene International Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bengaluru 560 099, Karnataka, India

Company Related Terms

Term	Description
Allegro	Allegro Capital Private Limited
Articles of Association	Articles of Association of our Company, as amended
Auditors/ Statutory Auditors	Statutory auditors of our Company, namely, S.R. Batliboi & Associates LLP, Chartered Accountants
Board/ Board of Directors	Board of directors of our Company or a duly constituted committee thereof
BRL	Biocon Research Limited
Biocon SEZ / BSEZ	Biocon Special Economic Zone located at Plot No. 2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bengaluru
CIL / Clinigene	Our estwhile Subsidiary, Clinigene International Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Clinigene House, Tower I, Semicon Park, Phase II, Electronics City, Hosur Road, Bangalore 560 100, Karnataka, India
CEO	Chief Executive Officer
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP 2011	Syngene Employee Stock Option Plan 2011
Executive Directors	Executive Directors of our Company
Group Entities	Companies, firms, ventures etc. promoted by our Promoter, irrespective of whether such entities are covered under Section 370(1)(B) of the Companies Act, 1956 or not For details, see “Our Group Entities” on page 166
IVF	IVF Trustee Company Private Limited, sole trustee of India Value Fund IV
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and the Companies Act, 2013 disclosed in “Our Management” on page 146
Managing Director	Managing Director of our Company
Memorandum of Association	Memorandum of Association of our Company, as amended
MSEZ	Mangalore Special Economic Zone
Promoter/ Biocon	Promoter of our Company namely, Biocon Limited For details, see “Our Promoter and Promoter Group” on page 162
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Registered and Corporate Office	Registered and corporate office of our Company located at Biocon SEZ, Biocon Park, Plot No. 2 & 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bangalore 560 099, Karnataka, India
Registrar of Companies/ RoC	Registrar of Companies, Bangalore located at 'E' Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India
Restated Financial Statements	The restated financial statements of our Company for the Financial Years ended March 31, 2010, March 31, 2011, March 31, 2012, March 31, 2013 and March 31, 2014 and for the nine months period ended December 31, 2014, which comprises of the restated statement of assets and liabilities, the restated statement of profits and losses and the restated statement of cash flows and notes to the restated statement of assets and liabilities, the restated statement of profits and losses and the restated statement of cash flows
Shareholders	Shareholders of our Company

Term	Description
Silver Leaf	Silver Leaf Oak (Mauritius) Limited
Subsidiary	Erstwhile subsidiary of our Company, namely, Clinigene International Limited
Syngene Employee Welfare Trust	Syngene International Limited Employee Welfare Trust

Offer Related Terms

Term	Description
Allot/ Allotment/ Allotted	Transfer of Equity Shares to successful Bidders pursuant to this Offer
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the 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
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid Period
Anchor Investor Bid/ Offer Period	The day, one Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors shall be submitted
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 Shareholder 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 Shareholder in consultation with the BRLMs 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 Offer Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising an SCSB to block the Bid Amount in the ASBA Account ASBA is mandatory for QIBs (except Anchor Investors) and Non-Institutional Bidders participating in the Offer
ASBA Account	An account maintained with an SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the Bid cum Application Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit Bid through the ASBA process All QIBs (except Anchor Investors), Non-Institutional Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 shall mandatorily participate in the Issue through ASBA
Axis	Axis Capital Limited
Banker(s) to the Offer/ Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 265
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/ Offer Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder/blocked in the ASBA Account upon submission of the Bid in the Offer For Retail Individual Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion (subject to the Bid Amount being upto ₹200,000),

Term	Description
	the Bid Amount shall be net of Retail Discount
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bid/ Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Syndicate, the Designated Branches and the Registered Brokers will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, each with wide circulation Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/ Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Kannada daily newspaper, 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
Bid Lot	[●]
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 ASBA Bidder and an Anchor Investor
Biocon Shareholders	Individuals and HUFs who are the public equity shareholders of the Promoter, Biocon (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of the Red Herring Prospectus
Biocon Shareholders Reservation Portion	Reservation of 2,000,000 Equity Shares of the face value of ₹10 each aggregating to ₹[●] million in favour of the Biocon Shareholders
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Axis Capital Limited, Credit Suisse Securities (India) Private Limited and Jefferies India Private Limited
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the Bid cum Application Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Broker are available on the respective website of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN/ Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who will be allocated the Equity Shares, after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price will not be finalised and above which no Bids will be accepted
Credit Suisse	Credit Suisse Securities (India) Private Limited
Client ID	Client identification number of the Bidder's beneficiary account
Cut-off Price	Offer Price, finalised by our Company and the Selling Shareholder in consultation with the BRLMs Only Retail Individual Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion (subject to the Bid Amount being upto ₹200,000 net of Retail Discount, if any) are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms used by the ASBA Bidders, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Issue Account or the Refund Account, as appropriate, and the SCSBs issue instructions for transfer of funds from the ASBA Accounts, to the Public Issue Account or unblock such amounts, as appropriate, in terms of the Red Herring Prospectus
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated April 22, 2015 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer

Term	Description
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 Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]
Escrow Agreement	Agreement to be entered into by our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected from the Bidders (excluding the ASBA Bidders), on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form and the Revision Form in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI, suitably modified and included in “Offer Procedure” on page 265
Jefferies	Jefferies India Private Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 200,000 Equity Shares which shall be available for allocation to Mutual Funds only
Net Offer	The Offer less the Biocon Shareholders Reservation Portion
Non-Institutional Bidders	All Bidders including Category III Foreign Portfolio Investors that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Net Offer being not less than 15% of the Net Offer consisting of 3,000,000 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
Offer / Offer for Sale	Public offer for sale of up to 22,000,000 Equity Shares through an offer for sale by the Selling Shareholder at the Offer Price aggregating up to ₹[●] million in terms of the Red Herring Prospectus. The Offer comprises the Net Offer and the Biocon Shareholders Reservation Portion
Offer Agreement	The agreement dated April 22, 2015 between our Company, the Selling Shareholder, the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer Price	The final price (less any Retail Discount) at which Equity Shares will be Allotted in terms of the Red Herring Prospectus The Offer Price will be decided by our Company and the Selling Shareholder in consultation with the BRLMs on the Pricing Date
Price Band	Price band of the Floor Price and the Cap Price including any revisions thereof The Price Band, any Retail Discount and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and will be advertised, at least five Working Days prior to the Bid/ Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of Kannada (Kannada being the regional language of Karnataka, where are Registered and Corporate Office is located) newspaper [●], each with wide circulation
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, <i>inter-alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Issue Account(s)	Account opened with the Bankers to the Offer under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date

Term	Description
QIB Category/ QIB Portion	The portion of the Net Offer (including the Anchor Investor Portion) being 50% of the Net Offer consisting of 10,000,000 Equity Shares which shall be allocated to QIBs (including Anchor Investors)
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	<p>The 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 price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto</p> <p>The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date</p>
Refund Account(s)	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount (excluding refund to ASBA Bidders) shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, direct credit, RTGS or NEFT, as applicable
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by the SEBI
Registrar to the Offer or Registrar	Karvy Computershare Private Limited
Retail Discount	Discount of up to [●]% (equivalent to ₹[●]) to the Offer Price that may be offered to Retail Individual Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion (subject to the Bid Amount being upto ₹200,000 net of Retail Discount) by our Company and the Selling Shareholder in consultation with the BRLMs at the time of making the Bid
Retail Individual Bidder(s)	Individual Bidders who have Bid for the Equity Shares for an amount of 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	The portion of the Net Offer being not less than 35% of the Net Offer consisting of 7,000,000 Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations
Revision Form	<p>Form used by the Bidders, including ASBA Bidders, to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s) as applicable</p> <p>QIB Bidders and Non-Institutional Bidders are not allowed to lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage</p>
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Selling Shareholder	Biocon Limited
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholder, our Company and the Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholder and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms from ASBA Bidders, a list of which is available at the website of the SEBI at www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries and updated from time to time
Syndicate Agreement	Agreement to be entered into among the BRLMs, the Syndicate Members, our Company and the Selling Shareholder in relation to the collection of Bids in the Offer (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to Registered Brokers at the Broker Centres)
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Syndicate or members of the Syndicate	The BRLMs and the Syndicate Members
Transaction Registration Slip	The slip or document issued by the Syndicate, Registered Brokers, or the SCSB (only on demand), as the case may be, to the Bidder as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholder to be entered into on or after the Pricing Date

Term	Description
Working Day	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Bid/ Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all days excluding Sundays and bank holidays in Bengaluru or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Technical/Industry Related Terms/ Abbreviations

Term	Description
AAALAC	Association for Assessment and Accreditation of Laboratory Animal Care International
API	Active Pharmaceutical Ingredient; any substance (or mixture of substances) intended to be used in the manufacture of a drug product and that, when used in the production of a drug, becomes an active ingredient in the drug product. The active ingredient is the biologically active part of a drug and is intended to cause pharmacological activity. When this biological activity takes place, it helps in the diagnosis, cure, mitigation, treatment or prevention of disease or to affect the structure and function of the body. An API can be a chemical molecule or a biomolecule or a combination of both
ADC	Antibody-drug conjugate; a drug molecule created by linking (or conjugating) an Antibody to a chemical drug molecule. The combined entity becomes a “second-generation” version of the original drug. An ADC combines the specific targeting properties of the antibody, and the drug-like properties of both the antibody and the chemical drug, for effective action
Antibodies	Category of biomolecules, which are produced by living organisms to attack and neutralize an undesired agent such as an infection or a “wayward” protein in the body
Biomolecule	Any molecule that is present in living organisms, which includes large macro molecules such as proteins, polysaccharides, lipids, and nucleic acids, and small molecules such as primary metabolites, secondary metabolites, and natural products
BA/BE Studies	Bioavailability and Bioequivalence Studies; studies conducted to determine the equality between the test medicine and the medicine that is already available in the market. This is done by performing dissolution tests in laboratory and clinical studies in healthy volunteers. BA/BE studies are required for medicines to be marketed in different countries
Clinical Studies	Studies done for NMEs in humans where the safety and efficacy of a new drug is evaluated. Typically clinical trials are done in three phases prior to regulatory approval
CRO	Custom Research Organisation
DNA	Deoxy ribonucleic Acid; a molecule which encodes genetic information in most known living organisms and many viruses. The genetic information is coded by pairing specific molecules in certain combinations, which are then interpreted by the body
GLP	Good Laboratory Practices
GMP	Good Manufacturing Practices
IND	Investigational New Drug status which when granted by the USFDA to a molecule allows it to be used for clinical trials. U.S. federal law requires a drug to be the subject of an approved marketing application before it is transported or distributed across state lines in U.S. A clinical trial being conducted in the U.S. requires the NME to be shipped for investigators in many states. IND is the means through which the trial sponsor obtains an exemption from this requirement from the USFDA.
<i>In Vivo</i>	This phrase means “in life”, i.e., in living organisms. Animal studies and clinical trials are two forms of <i>in vivo</i> research. In the discovery and development continuum, animal studies precede testing in humans. Such studies are used to evaluate the safety and toxicological profile of the drug under evaluation
Monoclonal antibodies	Highly specific types of antibodies produced artificially using biotechnology, and used in research, diagnostics and as therapeutics (i.e., as drugs)
NME	Novel Molecular Entities; a drug (chemical or biomolecule) that is without precedent among regulated and approved drug products. NME designation indicates that a drug in development is not a version or derivative of an existing and previously investigated, trialed and approved substance. If the NME is a chemical molecule, it may be called a New Chemical Entity (NCE) and if it is a biomolecule, it may be called a New Biological Entity (NBE)
Oligonucleotides	Single stranded DNA/RNA or short polymer of nucleotides usually less than 50 nucleotides, used in research, genetic testing and forensics. These represent a new therapeutic domain being researched for a variety of diseases
Pharmacovigilance	The practice of monitoring the effects of medical drugs after they have been licensed for use, especially in order to identify and evaluate previously unreported adverse

Term	Description
	reactions
Pre-clinical studies	Studies conducted before clinical trials (testing in humans) and aimed at generating drug safety. The studies evaluate the pharmacodynamics and pharmacokinetics of drugs in addition to toxicity testing in animals. The studies include: pharmacodynamics studies which try to understand what the drug does to the body, pharmacokinetics studies which try to understand what the body does to the drug, and toxicity studies which intend to collect safety related data on drugs by testing them in various animal species. Typically, in drug development studies animal testing involves two species. The most commonly used models are murine and canine, along with primate and porcine
R&D	Research and Development
Recombinant proteins	Proteins produced in a laboratory or industrial setting by use of “recombinant DNA” technology, wherein organisms such as bacteria or cells are genetically modified to produce a specific protein that they do not normally produce; unlike proteins are naturally occurring biomolecules (large sized molecules produced by living organisms). Recombinant proteins are commonly used as drugs, often to supplement a deficiency in a patient (e.g. insulin for an insulin-deficient person)
Scientist	Our Company’s employees in technical roles whose highest educational degree is in the sciences (Physics, Chemistry, Biology and related areas)

Conventional and General Terms or Abbreviations

Term	Description
ACIT	Assistant Commissioner of Income Tax
AED	Emirati Dirham
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/ Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
Boilers Act	Indian Boilers Act, 1923
BSE	BSE Limited
BMW Rules	Bio-Medical Waste (Management and Handling) Rules, 1998
Compounded Annual Growth Rate / CAGR	Annualised average year-over-year growth rate over a specified period of time.
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CDSL	Central Depository Services (India) Limited
Central Excise Act	The Central Excise Act, 1944
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CHF	Swiss Franc
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013 as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
CPCSEA	Committee for the Purpose of Control and Supervision on Experimentation with Animals
Customs Act	The Customs Act, 1962
DCA	Drugs and Cosmetics Act, 1940
DCA Rules	The Drugs and Cosmetics Rules, 1945
DCIT	Deputy Commissioner of Income Tax
DCWT	Deputy Commissioner of Wealth Tax
Debt / Equity ratio	Total debt (comprising long term and short term borrowings) divided by total

Term	Description
	shareholders' funds
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DPCO	Drugs (Prices Control) Order, 2013
Drugs Act	Drugs (Control) Act, 1950
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before finance cost, tax, depreciation and amortisation, calculated as total revenue (revenue from operations and other income) less total expenses (expenses other than depreciation and amortisation, finance cost and tax)
Effective Tax Rate	Total tax expenses divided by restated profit before tax
EGM	Extraordinary General Meeting
EMA	European Medicines Agency
EOU	Export Oriented Unit
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with each of the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948
Explosives Act	Explosives Act, 1884
Factories Act	Factories Act, 1948
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Financial Year/ Fiscal/ FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GDP	Gross Domestic Product
GIR	General Index Register
GoI or Government	Government of India
Gratuity Act	Payment of Gratuity Act, 1972
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICMR	The Indian Council of Medical Research
ID Act	Industrial Disputes Act, 1947
IFRS	International Financial Reporting Standards
Income Tax Act, IT Act	The Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
IST	Indian Standard Time
IT Department	Department of Income Tax
IT	Information Technology
KSPCB	Karnataka State Pollution Control Board
KPME Act	The Karnataka Private Medical Establishment Act, 2007
LIBOR	London Interbank Offered Rate
MICR	Magnetic Ink Character Recognition
Minimum Wages Act	The Minimum Wages Act, 1948
Mutual Fund (s)	Mutual Fund (s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
MWA	Minimum Wages Act, 1948
Narcotic Acts	Narcotic Drugs and Psychotropic Substances Act, 1985
N.A./ NA	Not Applicable

Term	Description
NAV	Net Asset Value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Asset Value per Equity Share	(Net Worth at the end of the period/year) divided by (Total number of equity shares outstanding at the end of the period/year). Shares allotted to ESOP trust pursuant to the employee share based plan is not included in the shares outstanding at the end of the period/year till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions.
Net Profit Margin	Restated profit divided by total revenue
Net Worth	Equity share capital plus reserves and surplus (including securities premium, general reserve, stock options outstanding and surplus in statement of profit and loss less amount recoverable from Syngene Employee Welfare Trust)
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FIIs, and FPIs
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non Resident External Account
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Patents Act	The Patents Act, 1970
Payment of Bonus Act	Payment of Bonus Act, 1965
PCA Act	Prevention of Cruelty to Animals Act, 1960
PCB	Pollution Control Board
Petroleum Act	The Petroleum Act, 1934
Poisons Act	The Poisons Act, 1919
PWA	Payment of Wages Act, 1936
RBI	The Reserve Bank of India
RM	Malaysian Ringgit
RoNW	Return on Net Worth
₹ / Rs./ Rupees/ INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended

Term	Description
SEZ	Special Economic Zone
SEZ Act	The Special Economic Zones Act, 2005
sq. ft.	Square feet
STT	Securities Transaction Tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999
Trade Unions Act	Trade Unions Act, 1926
ULIP	Unit Linked Insurance Plan
U.S./ USA/ United States	United States of America
USFDA / FDA	United States Food and Drug Administration
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/ US\$	United States Dollars
US Persons	As defined in Regulation S under the Securities Act
US QIBs	Qualified Institutional Buyers as defined in Rule 144A under the Securities Act
VAT	Value added tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention & Control of Pollution) Cess Act, 1977
Water Cess Rules	Water (Prevention & Control of Pollution) Cess Rules, 1978

The words and expressions used but not defined herein shall have the same meaning as is assigned 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, terms in the “Statement of Tax Benefits”, “Industry Overview”, “Financial Statements”, “Outstanding Litigation and Material Developments” and “Main Provisions of Articles of Association” on pages 91, 106, 175, 211 and 318, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Draft Red Herring Prospectus, unless otherwise specified.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to “India” are to the Republic of India. All references to the “U.S.,” “USA” or “United States” are to the United States of America.

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

Financial Data

Unless stated or the context requires otherwise, the financial data in this Draft Red Herring Prospectus is derived from our Restated Financial Statements prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

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 one decimal and all percentage figures have been rounded off to one decimal place and accordingly there may be consequential changes in this Draft Red Herring Prospectus.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Indian GAAP and IFRS, see “Risk Factors” on page 16. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in the “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditional and Results of Operations” on pages 16, 115 and 189 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Statements of our Company prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States;
- “Euro” or “€” are to Euro, the official currency of the Eurozone (the monetary union of the European Union);
- “AED” are to Emirati Dirham, the official currency of United Arab Emirates;
- “CHF” are to Swiss Francs, the official currency of Switzerland; and
- “RM” are to Malaysian Ringgit, the official currency of Malaysia.

Our Company has presented all numerical information in this Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

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

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

Currency	As on March 31, 2010 (₹)	As on March 31, 2011 (₹)	As on March 31, 2012 ⁽¹⁾ (₹)	As on March 31, 2013 ⁽²⁾ (₹)	As on March 31, 2014 ⁽³⁾ (₹)	As on December 31, 2014 (₹)
1 USD ^(a)	45.1	44.7	51.2	54.4	60.1	63.3
1 Euro ^(a)	60.6	63.2	68.3	69.5	82.6	77.0
1 AED ^(b)	12.2	12.4	14.2	14.9	16.3	17.3
1 CHF ^(b)	42.3	49.1	57.5	57.1	67.4	64.3
1 RM ^(b)	13.8	14.9	16.9	17.5	18.3	18.2

(a) (Source: <https://rbi.org.in>)

(b) (Source: www.oanda.com)

(1) Exchange rate as on March 30, 2012, reference rate is not available for March 31, 2012 being a Saturday.

(2) Exchange rate as on March 28, 2013, reference rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, Saturday and a public holiday, respectively.

(3) Exchange rate as on March 28, 2014, reference rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and 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 or 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. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the “Risk Factors” on page 16. Accordingly, investment decisions should not be based solely on such information.

Certain information in the “Summary of Industry”, “Summary of our Business”, “Industry Overview” and “Our Business” on pages 44, 47, 106 and 115 has been obtained from various industry sources identified in these sections.

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.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in India in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on 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 its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- our dependence on a limited number of clients, and a loss of or significant decrease in business from them;
- our dependence on the continued outsourcing of R&D by pharmaceutical, biotechnology, agro-chemistry, consumer health, animal health and cosmetic industry companies;
- failure to obtain or retain the various approvals and licenses required to operate our business;
- failure to effectively develop and market new services;
- our reliance on third parties for certain services and any disruption, deficiency in service or increase in cost of such services;
- our ability to effectively compete against current and future competitors;
- failure to maintain sufficient insurance coverage to cover all possible economic losses and liabilities associated with our business;
- failure to protect the intellectual property rights of our clients;
- our exposure to risks associated with fluctuations in foreign exchange rates;
- our ability to attract and retain our key personnel;
- outcome of legal proceedings pending against us;
- risks arising from changes in interest rates, currency fluctuations and inflation; and
- general economic and business conditions in India and other countries.

For further discussion of factors that could cause the actual results to differ from the expectations, see the “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 16, 115 and 189, 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.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure 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 as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s belief and assumptions, which are based on currently available information. Neither our Company, our Directors, the Selling Shareholder, 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 SEBI requirements, our Company, the BRLMs and the Selling Shareholder shall ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock

Exchanges for this Offer. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high 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. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. Before making an investment decision, investors must rely on their own examination of the offer and us.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks 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. See “Forward-Looking Statements” on page 14.

Internal Risks

- 1. Our contracts are generally terminable on little or no notice. Any delay in the renewal or the termination of a large contract for services or multiple contracts for services could adversely affect our revenue and profitability.***

Our contracts are generally terminable without cause upon 30 to 90 days' notice by the client. Clients may terminate, cancel or delay contracts for various reasons, including the client's decision to downsize its product development portfolios, the client's decision to change their outsourcing strategy and the client's dissatisfaction with our performance, including the quality or accuracy of the data or reports provided and our ability to meet agreed upon schedules. In addition, certain of our contracts also allow for termination in the event of any change in the beneficial ownership of our Promoter, Biocon, or our Company that results in a change of control.

We have experienced termination or cancellation by certain clients in the ordinary course of business. The reasons more frequently given for termination by our clients include a consolidation or merger of the client, the client's decision to forgo a particular study, the failure of drugs to satisfy efficacy and/or safety requirements, and unexpected or undesired results of drug testing, the performance of our Company or the decision of the client to move their business to a different CRO.

The loss or delay of a programme or large contract or the loss or delay of multiple smaller contracts could adversely affect our business because such terminations could lower our level of resource utilisation, which would reduce our profitability. In the event of termination, our contracts often provide for fees for winding down the project, which include both fees incurred and actual and non-cancellable expenditures and may include a fee to cover a percentage of the remaining professional fees on the project. However, such fees may be insufficient to cover the losses caused to us as a result of such termination. Furthermore, under certain of our contracts, upon termination, our clients may be entitled to take over dedicated research facilities and equipment and seek transfer of scientific personnel involved in the programme. Further, termination by clients as a result of our poor performance may affect our ability to obtain future contracts from the client involved.

- 2. We are dependent on the continued outsourcing of R&D by pharmaceutical, biotechnology, agro-chemistry, consumer health, animal health and cosmetic industry companies.***

We are dependent upon the ability and willingness of our clients to continue to spend on R&D at rates close to or at historical levels and to outsource the services that we provide. We are therefore subject to risks, uncertainties and trends that affect companies in these industries over which we have no control. For example, we have benefited to date from the increasing tendency of our clients to outsource both small and large research programmes. Fluctuations in the R&D budgets of these industry participants could have a significant effect on the demand for our services. R&D budgets fluctuate due to changes in available resources, consolidation of companies, spending priorities and institutional budgetary policies. Our business could be adversely affected by

any significant decrease in outsourced R&D expenditures by our existing or potential clients. The following could each result in decreased outsourced R&D spending:

- if our clients expanded captive R&D capabilities, they would be less likely to utilise our services;
- if governmental regulations were changed, it could affect the ability of our clients to operate profitably, which may lead to a decrease in research spending and therefore this could have a material adverse effect on our business; and
- if unfavourable economic conditions or disruptions in the credit and capital markets negatively impacted our clients.

Demand for our services may be affected by perceptions of our clients regarding the CRO industry as a whole. For example, other CROs could engage in conduct that could render our clients less willing to do business with us or any CRO. One or more CROs could engage in or fail to detect malfeasance, such as inadequately monitoring sites, producing inaccurate databases or analysis, falsifying patient records, and performing incomplete laboratory work, or take other actions that would reduce the confidence of our clients in the CRO industry.

While India currently is an attractive off shoring and outsourcing hub for many multinational companies, there are other low cost Asian countries that look attractive and any appreciation of the Indian Rupee could make India a less economically attractive destination for outsourcing. In addition, there may be changes in government policy in the United States, the European Union and other countries where our clients are located, which may restrict outsourcing to other nations. A substantial decrease in outsourcing activity in the CRO industry could result in a diminished growth rate in business.

In March 2012, India granted its first compulsory license in respect of a patented drug. A compulsory license provides that the owner of a patent or copyright licenses the use of their intellectual property rights against payment either set by law or determined through some form of arbitration. Many multinational pharmaceutical companies have reacted negatively to India's compulsory licensing and may not wish to collaborate with companies in the R&D industry in India because of heightened concerns over compulsory licensing. Reduction in demand for CRO services from India-based companies will adversely impact our business prospects, financial condition and results of operations.

3. *We depend on a limited number of clients, and a loss of or significant decrease in business from them could affect our business and have a material adverse impact on our profitability.*

We have in the past and may in the future derive a significant portion of our service revenue from a relatively limited number of clients that vary from year to year. For fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, 44.0%, 37.8%, 33.6% and 32.2%, respectively, of our revenue from the sale of services was derived from our largest client, Bristol-Myers Squibb Co. During fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, 79.0%, 71.2%, 69.4% and 71.7%, respectively, of our revenue from the sale of services came from our top 10 clients, which includes Bristol-Myers Squibb Co. Our relationships with these clients involve a substantial number of individual arrangements detailing the particulars of a given research project and often implicate different entities, departments, or companies under common control. Nevertheless, the loss of, or a significant decrease in business from, one or more of these clients could adversely impact our business.

The volume of work performed for these clients is likely to vary from year to year, especially since we may not be the exclusive external service provider for these clients. Our clients may also decide to reduce spending on services due to a changing economic environment and other factors relating to their business. Further, the consolidation of any of our clients may also adversely affect our existing relationships and arrangements with such clients, and any of our clients that are acquired may cease to use our services. The loss of these clients, a decrease in the volume of work they outsource to us or a decrease in the price at which we offer our services to them may adversely impact our business, revenues and profitability.

4. *We expect that our employee benefits expenses will continue to increase and we may not be able to pass such increase on to our clients, which may adversely impact our profitability.*

Employee benefits expense constitutes a substantial component of our costs and is therefore an important factor in determining our profitability. Although the relatively lower cost of skilled labour has been an important factor in the success of Indian outsourcing businesses, including our own, our per employee benefits expenses have steadily risen in line with general trends in the Indian market. In addition, our employee headcount has grown with the expansion of our business. Employee benefits expenses for fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, were ₹984 million, ₹1,235 million, ₹1,556 million and ₹1,491 million, respectively, and our employee headcount figures for those periods were 1,729, 1,867, 2,108 and 2,600, respectively. As a percentage of revenue from operations for fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014, employee benefits expenses were 23.6%, 22.4%, 22.2% and 24.5%, respectively.

We expect that our employee costs will continue to increase over the coming years due to continued escalation in salaries and benefits as well as headcount growth. While we will seek to partially offset the rise in compensation through an increase in pricing, an inability to effect such price increases will adversely affect our profitability.

5. *We may fail to effectively develop and market new services, which may adversely impact our growth opportunities, prospects and profitability.*

Our market is characterised by rapid changes, evolving industry standards, changing client preferences and new service introductions and our business model is accordingly evolving based on client needs. We intend to continue to expand our existing research services and establish our commercial scale manufacturing capabilities as we provide forward integration on the discovery and development continuum. We may also seek to develop and market new services that complement or expand our existing business. Whether we are successful in developing or marketing our new services will depend on several factors, including our ability to optimise our discovery, development and manufacturing processes; to predict and control costs; accurately anticipate, assess and meet client needs and market demands; hire, train and retain qualified personnel and provide services in a timely manner.

If we are unable to develop new services and create demand for those newly developed services, or expand our service offerings, our future business and profitability may be adversely affected.

6. *If we fail to protect the intellectual property rights of our clients, we may be subject to liability for breach of contract and may suffer damage to our reputation.*

Protection of intellectual property associated with our R&D and manufacturing activities is critical to our business. Our clients generally retain ownership of all associated intellectual property, including those that they provide to us and those arising from the services we provide to them. In addition, all rights, title and interest in any intellectual property, including inventions and discoveries, created during the course of performing our services vest with our clients. Our success therefore depends in substantial part on our ability to protect the proprietary rights of our clients. Despite the measures that we take to protect the intellectual property of our clients or our own, unauthorised parties may attempt to obtain and use information that we regard as proprietary. Any unauthorised disclosure of our clients' proprietary information could subject us to liability for breach of contract, as well as significant damage to our reputation, which could materially adversely impact our business, financial condition, results of operations and prospects. In addition, any breach in the protection of intellectual property would constitute a breach of our client contracts, which could entail negative publicity and result in termination of client contract. We may also be unable to obtain new client contracts and be subject to legal proceedings, which may continue for a long period and result in significant costs to our Company.

7. *We derive almost all of our revenue in U.S. dollars and incur certain costs in U.S. dollars, and hence we are exposed to the risks associated with fluctuations in foreign exchange rates which could negatively impact our profitability and financial condition.*

We face foreign exchange rate risk to the extent that our income, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. Almost all of our revenue from operations, a large portion of our equipment purchases, a portion of our material costs and much of our debt and bank balances are denominated in U.S. dollars. In addition, some of our export revenue is also denominated in other foreign currencies, principally the Euro. As of December 31, 2014, we had no long-term borrowings and our short-term borrowings

were ₹1,830 million (US\$28.9 million). All of these short-term borrowings were denominated in U.S. dollars. As of December 31, 2014, our U.S. dollar denominated bank balances in current accounts were ₹1,299 million (US\$20.5 million).

Because of our foreign currency exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods. According to the RBI, the average Indian Rupee/U.S. dollar exchange rate for fiscal 2012, 2013 and 2014 and the nine months ended December 31, 2014 was ₹47.95/dollar, ₹54.45/dollar, ₹60.50/dollar and ₹60.77/dollar, respectively.

We hedge certain of our foreign currency exposures. However, these hedges do not cover all such exposures and are in any event subject to their own risks, including counterparty credit risk. Adverse moves in exchange rates that we have not adequately hedged may adversely impact our profitability and financial condition. For details see the section “Management’s Discussion and Analysis of Financial Condition” on page 189.

8. *Our quarterly operating results may vary and hence quarterly comparison of our financial results may not be meaningful.*

Our quarterly operating results have been and will continue to be subject to variation, depending on factors such as the commencement, completion, or cancellation of significant contracts, the mix of contracted services, foreign exchange rate fluctuations and the timing of start-up expenses for new services. We have experienced, and expect to continue experiencing, some variations in our revenue due to our clients’ budgetary cycles. In addition, a substantial number of our client contracts are renewed at the beginning of the calendar year which may result in volatility in our fourth quarter results. As a result, we believe that quarterly comparisons of our financial results should not be relied upon as an indication of our future performance.

9. *If we underprice our contracts, 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 materially adversely affected.*

Most of our contracts are either priced on a full-time equivalent basis or on a fee-for-service basis wherein revenues are agreed to in the contract between us and the client. We price our contracts based on assumptions regarding the scope of work required, the complexity of the research required and cost to complete the work. We regularly review the estimated hours on each contract to determine if the budget accurately reflects the agreed tasks to be performed, taking into account the state of progress at the time of review. In addition, contracts with our clients are subject to change orders, which occur when the scope of work we perform needs to be modified from that originally contemplated in our contract with the clients. This can occur, for example, when there is a change in a key study assumption or parameter or a significant change in timing. We may be unable to successfully negotiate changes in scope or change orders on a timely basis or at all, which could require us to incur cost outlays ahead of the receipt of any additional revenue. While we endeavour to ensure that changes in scope are appropriately monitored and change orders for additional revenue are promptly negotiated for additional work as necessary, we bear the financial risk if we are unable to negotiate a price increase, which could adversely affect our cash flows and financial performance.

10. *Our Promoter and its managing director have been named respondents in a criminal proceeding.*

Our Promoter and its managing director have been named respondents in a criminal complaint for manufacturing certain drugs without a manufacturing license, in contravention of the Drugs and Cosmetics Act, 1940. The Additional Chief Judicial Magistrate, Ranchi has taken cognisance of the offence through an order. While our Promoter and its managing director have filed an application before the Jharkhand High Court seeking the quashing of the criminal complaint and the order of the Additional Chief Judicial Magistrate, Ranchi, the matter is currently pending. For further details, please see the section “Outstanding Litigation and Material Development” on page 211. Any conviction, penalties or other action against our Promoter and / or its managing director for the offences alleged by the complainant may potentially cause negative publicity thereby affecting our reputation, business, financial condition and results of operations.

11. *For our clients’ future drugs to be marketed in the United States, we may need to obtain clearance from the Food and Drug Administration and the European Medicines Agency and our operations will need to comply with applicable standards. Any adverse action by the Food and Drug Administration or*

the European Medicines Agency against us would negatively impact on our ability to offer our services to our clients and adversely impact our business and prospects.

Laws and regulations regarding the development and approval of drugs and biological products have become increasingly stringent in India, the United States and other foreign jurisdictions. While we monitor our research process to test for compliance with applicable laws and regulations in India, the United States and other foreign jurisdictions in which we operate, our business spans multiple regulatory jurisdictions, with varying, complex regulatory frameworks. In addition, although we have adopted standard operating procedures that are designed to satisfy regulatory requirements, no system of procedures can provide complete assurance of achieving our regulatory compliance objectives in all respects because compliance involves human diligence and procedures and is subject to human errors and lapses in judgement.

In the event that our clients' clinical trials reach the stage of filing a New Drug Application ("NDA"), our operations will need to obtain clearance by the Food and Drug Administration ("FDA") or the European Medicines Agency ("EMA") to grant permission to market the drug in the United States and Europe, respectively. All facilities and manufacturing techniques used to manufacture drugs marketed in the United States and Europe must conform to standards that are established by the FDA and EMA, respectively. The FDA and EMA may conduct scheduled periodic inspections of our facilities to monitor our compliance with regulatory standards. Our bio-availability/bio-equivalence ("BA/BE") studies and clinical trials are also required to be in compliance with FDA and EMA standards, when the data generated at BA/BE facilities and in our clinical trials is used for regulatory submissions in the U.S. and Europe, respectively. While our quality practices and quality management systems are designed and conducted in a manner intended to satisfy these types of audits, we cannot assure you that our efforts will be able to prevent adverse outcomes in future, such as audit observations, corrective action requests, warning letters or import bans.

The FDA has conducted inspections and audits of our active pharmaceutical ingredients ("API") manufacturing and control testing laboratory in Bengaluru and may do so in the future. In the recently concluded inspections, we were found to be in compliance with regulatory standards. However, if the FDA or EMA finds that we have failed to comply with the appropriate regulatory standards, they may impose fines or take other actions against us or our clients, or we may no longer be able to offer our services to our U.S. and/or European clients. The resulting corrective measures may be lengthy and costly. As a result, we may be unable to fulfil our contractual obligations. Any adverse action by the FDA or EMA would have a material and adverse impact on our reputation and our business, financial condition, results of operations and prospects. We may or may not obtain clearance from the FDA or EMA in the event that we are inspected.

In addition, if we are unable to obtain clearance from the FDA or EMA during regulatory inspections of our BA/BE and clinical trials facility; our ability to offer services to clients looking to generate data for regulatory submissions in the United States and Europe may be limited.

In addition, there appears to be an increasing trend by the FDA and other governmental regulators in other developed countries towards conducting site audits which are unannounced and conducted with unprecedented rigour and expectations. FDA inspections of certain manufacturing facilities in India have identified significant deviations from current good manufacturing practice for the manufacture of APIs and also found data integrity violations. The FDA has also placed an import ban on products from certain drug manufacturing facilities in India. Any related negative attention to CROs and drug manufacturers in India may thus impact the willingness of clients to work with us. This may have an adverse impact on our business and prospects.

12. If we fail to perform our services in accordance with contractual requirements, regulatory standards and ethical considerations, we could be subject to significant costs or liability and our reputation could be harmed.

We contract with companies to perform a wide range of services including discovery, development and manufacturing. These services are complex and subject to contractual requirements, regulatory standards and ethical considerations.

The performance of research services is complex and time-consuming. For example, we may make mistakes in conducting research that could negatively impact or obviate the usefulness of the drug or cause the results of the research to be reported improperly. If research results are compromised, we could be subject to significant costs or liability, which could have an adverse impact on our ability to perform our services and our reputation could be harmed. Non-compliance generally could result in the termination of ongoing research or the disqualification of data for submission to regulatory authorities and could require us to repeat the research under the terms of our contract at no further cost to our client, but at a substantial cost to us. Improper performance of our services could have a material adverse effect on our financial condition, damage our reputation and result in the termination of current contracts by or failure to obtain future contracts from the affected clients or other clients.

From time to time, one or more of our clients are audited or investigated by regulatory authorities or enforcement agencies with respect to regulatory compliance of their R&D programmes, or the marketing and sale of their drugs. In these situations, we have often provided services to our clients with respect to the research programmes or activities being audited or investigated, and we are called upon to respond to requests for information by the authorities and agencies. There is a risk that either our clients or regulatory authorities could claim that we performed our services improperly. If our clients or regulatory authorities make such claims against us and prove them, we could be subject to damages, fines or penalties. In addition, regulatory agencies may take action against us or our clients. Such actions may include sanctions such as injunctions or failure of such regulatory authorities to grant marketing approval of products, imposition of clinical holds or delays, suspension or withdrawal of approvals, rejection of data collected in our studies, license revocation, product seizures or recalls, operational restrictions, civil or criminal penalties or prosecutions, damages or fines. Additionally, there is a risk that actions by regulatory authorities, if they result in significant inspectional observations or other measures, could adversely impact our reputation and cause clients not to award us future contracts or to cancel existing contracts.

Further, if a client becomes unwilling or unable to fund the completion of a research programme, we may be ethically bound to complete or wind down the research programme at our own expense.

In addition to Indian law and regulations, we must comply with the laws of all countries where our clients do business. Failure to comply with applicable requirements could subject us to regulatory risk, liability and potential costs associated with redoing the research programme, which could damage our reputation and adversely affect our operating results.

13. *Any failure by us to satisfy our clients' inspections and audits could negatively impact our reputation and our business, financial condition, results of operations and prospects.*

Pursuant to our client contracts, our clients generally 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 are meeting their internal standards and the regulatory standards they must meet in the drug development and manufacturing process. Most of our clients routinely inspect and audit our facilities. If we fail to perform our services in accordance with best practices and/or our clients are unhappy with the quality of our facilities in any manner, our reputation could be harmed and our clients may terminate their contracts and/or refuse to renew contracts. We may also be subject to significant costs to improve our facilities. This may have an adverse impact on our business, financial condition, results of operations and prospects.

14. *Our client contracts are governed by the laws of various countries and disputes arising from such contracts may be subject to the exclusive jurisdiction of courts situated in such countries.*

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

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

We are subject to credit risk through our trade receivables and other receivables due from our clients. By their nature, trade receivables involve risks, including the credit risk of non-performance by counterparties. Further, the failure of any of our clients to make timely payments could require us to write off trade receivable or

increase provisions made against our trade receivable. Thus, any changes in the financial position of our clients that adversely affects their ability to pay us may in turn materially and adversely affect our cash flows, business prospects, financial condition and results of operations. We also face other counterparty credit risks, including with our hedging counterparties.

16. *Our business, prospects and results may be diminished if we lose the services of our senior management.*

Our success depends largely on the efforts, expertise and abilities of our senior management and key scientific and technical personnel. Our senior management are important to our business because of their experience and knowledge of the industry. If one or more of our key personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly, or at all, which could have a material adverse effect on our business, prospects and financial results. If any of our key employees were to join a competitor or to form a competing company, some of our clients might choose to use the services of that competitor or new company instead of our own thereby also adversely affecting our business, prospects and financial results.

17. *Our business and growth may be disrupted if we lose the services of our key scientific personnel.*

Owing to the scientific and specialised nature of our work, we are dependent upon our scientific and technical personnel. There is intense competition for qualified scientific and technical personnel in India. To effectively compete, we may be required to offer higher compensation and other benefits which could materially and adversely affect our financial condition and results of operations. In the future, we may not be able to attract and retain the qualified personnel necessary for the conduct and further development of our business which could affect our ability to execute our business strategy. The loss of the services of existing personnel, including through an increase in our attrition rate, as well as the failure to recruit additional key scientific, technical, and managerial personnel in a timely manner, could adversely impact our ability to expand our business and to remain competitive in the CRO industry. Additionally, we may be unable to redeploy and retrain our professionals to keep pace with continuing changes in technology, evolving standards and changing client preferences. Loss of key scientific personnel may have an adverse impact on our business and growth.

18. *Our business and prospects could be adversely impacted if we are unable to manage our growth effectively.*

For the three fiscal years ended March 31, 2014, our total revenue, restated profit and EBITDA (which we define as earnings before finance cost, tax, depreciation and amortisation calculated as total revenue (revenue from operations and other income) less total expenses (expenses other than depreciation and amortisation, finance cost and tax)) grew at compounded annual growth rates ("CAGR"), of 29.9%, 70.5% and 30.6%, respectively.

Pursuing our growth strategies, including expanding our facilities and service offerings to meet our clients' needs, has resulted in and will continue to result in substantial demands on our management, operational, human, and financial resources.

To manage our growth, we must continue to improve our operating and administrative systems and to attract and retain qualified management, professional, scientific, and technical operating personnel. We believe that maintaining and enhancing both, our systems and personnel at reasonable cost are instrumental to our success in the CRO industry. We cannot assure you that we will be able to enhance our current technology or obtain new technology that will enable our systems to keep pace with the developments and the sophisticated needs of our clients. The nature and pace of our growth introduces risks associated with quality control and client dissatisfaction due to delays in performance or other problems. Any inability to effectively manage our anticipated growth and growth strategies could adversely affect our business and future prospects.

19. *If we fail to keep pace with advancements in technology in our service offerings, or respond to changes in market demand or client requirements, our business and financial results could be adversely affected.*

We service clients in various industries such as pharmaceuticals, biotechnology, agro-chemicals, consumer health, animal health and cosmetics. These industries are characterised by frequent advancements in technology, fuelled by high expenses incurred on R&D, evolving industry standards and frequent introduction of new and

enhanced services. To succeed, we must continue to introduce new services on a timely and cost-effective basis to meet evolving client requirements, while achieving market acceptance for these new services. Additionally, we must continue to enhance our existing services and to successfully integrate new services with those already being offered. It is imperative that we respond to emerging industry standards and other technological changes. If we fail to make the necessary enhancements to our business, systems and products to keep pace with evolving industry standards, our competitive position and results of operations may suffer.

To meet our clients' needs as well as to keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our discovery, development and manufacturing services. In addition, 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. Further, our competitors or other third parties may have filed patent applications, or hold patents, relating to products or processes which could restrict our ability to provide certain of our services. If we do not keep pace with rapid technological changes in the CRO industry, our services may become less competitive or even obsolete. If our competitors introduce superior technologies, or services and we cannot make enhancements to ours to remain competitive, either because we do not have the resources to continually improve our technology by investing in R&D or for any other reason, our competitive position, and in turn our business, revenue and financial condition, would be materially and adversely affected.

20. *We may be unable to expand our capacity as anticipated, possibly resulting in material delay, increased costs and lost business opportunities.*

We are in the process of setting up a manufacturing facility in Mangaluru to manufacture novel small molecules for companies in pharmaceutical, agrochemical and other industrial sectors. We have identified a site for this and the land acquisition process is under way. There may be delays or unexpected developments in completing the construction of our facilities, which could cause the construction costs and other expenses of this project to exceed our expectations. Any material delay in starting operations at these facilities or any substantial increase in costs to complete these facilities, may materially and adversely affect our financial condition and results of operations. This may also result in lost business opportunities for us.

21. *We compete in a highly competitive market and if we do not compete successfully our business and financial results could be adversely affected.*

The CRO industry is highly competitive and we face numerous competitors. If we fail to compete effectively, we might lose clients, which would cause our business to suffer.

We compete against other full-service CROs, captive R&D centres of multinational organisations, small speciality CROs, and, to a lesser extent, universities and teaching hospitals. Some of these competitors have greater capital, technical and other resources than we have. In addition, our competitors that are smaller specialised companies might compete effectively against us based on price and their concentrated size and focus. For details, see "Our Business" on page 115.

As a result of competitive pressures and the potential for economies of scale, the industry continues to experience consolidation. This trend, as well as a trend by pharmaceutical companies and other clients to limit outsourcing to fewer organisations, in some cases through preferred vendor relationships, is likely to result in increased worldwide competition among the larger CROs for clients and acquisition candidates. A significant portion of our business is subject to variable pricing and subject to periodic price revisions and increased competition could cause a decline in billing rates offered by our clients which may significantly hamper our profitability.

We believe that various multinational companies have been developing preferred partnerships with full-service CROs that effectively exclude other CROs from the bidding process. We may find reduced access to certain companies due to preferred vendor arrangements of such companies with our competitors. In addition, the CRO industry has attracted the attention of the investment community, and increased potential financial resources are likely to lead to increased competition among CROs. There are few barriers to entry for small, limited-service entities entering the CRO industry, and these entities may also compete with established CROs for clients. Increased competition may lead to competitive pricing which may adversely impact our business and results of operations.

22. *We rely on third parties for important services and any delay and/or failure in the performance of these services may adversely affect our business and results of operations.*

We rely on third parties for the timely supply of certain chemicals and equipment as well as support services, including the procurement, handling and transportation of animals for our research services. In addition, we may require certain niche chemicals in relation to our research and discovery and development services which may not be readily available or may only be supplied by a single or a limited number of suppliers. Although we actively manage such third party relationships to ensure continuity of supplies on time and to our required specifications, some events beyond our control could result in the complete or partial failure of supplies or in supplies not being delivered on time. Any such failure could adversely affect our business by resulting in delays and/or cost overruns. The failure of any of these third parties to adequately provide the needed services could have a material adverse effect on our business and results of operations.

23. *We rely on our Promoter Biocon for our Registered Office and other critical facilities from which we operate.*

We do not own our Registered Office and occupy our premises on a leasehold basis from our Promoter Biocon. Our R&D and manufacturing facilities are also conducted at sites leased from our Promoter Biocon. We also rely on our Promoter Biocon, for other ancillary support services such as power, water and other utility services. For further details, see the section “Our Promoter and Promoter Group” on page 162.

We cannot assure you that we will be able to renew our leases on commercially acceptable terms or at all. In addition, some of our leases may be short term leases but we may invest in the construction of fixed and immovable infrastructure at these facilities. In the event that we are required to vacate our current premises, we would be required to make alternative arrangements for new offices and other infrastructure and we cannot assure you that the new arrangements will be on commercially acceptable terms. Our facilities and certain equipment located in these facilities are highly specific and may be difficult to replace in a short period of time and could require substantial replacement lead time. Any event that causes a disruption of the operation of these facilities might impact our ability to provide services to our clients and therefore could have a material adverse effect on our business, financial condition and results of operations.

24. *We are dependent on our facilities which are concentrated in Bengaluru.*

We conduct most of our discovery, development and manufacturing services at Biocon Park, which is located in a special economic zone (“SEZ”) in Bengaluru. Fire, floods, earthquakes, rains, inundations and heavy downpours in this area could disrupt our operations. Our operations may also be disrupted by man-made causes there, such as civil strikes and riots that may cause a total or partial shutdown of our facilities or otherwise prevent operations of our facilities, including the inability of our scientists and other employees to commute to work. If these events disrupted our ability to provide services to our clients, our business, financial condition and results of operations would be adversely impacted.

25. *We are subject to the risk of loss due to fire because we use highly flammable and explosive materials in our activities.*

We use dangerous materials including flammable and explosive materials in our R&D and manufacturing processes and are therefore subject to the risk of loss arising from fire. Although we have implemented industry acceptable risk management controls at our facilities and continuously seek to upgrade them, the risk of fire associated with these materials cannot be completely eliminated. In addition to fire, natural calamities such as floods, earthquakes, rains, inundations and heavy downpours could disrupt our operations. We maintain insurance policies to guard against losses caused by fire. We have in the past had fire-related incidents involving losses and injuries, including in fiscal 2014, a fire at one of our analytical laboratories in Bengaluru. We cannot assure you that our insurance coverage will be adequate for meeting losses incurred in case of any such incidents in future. In addition, any such incidents of fire may result in significant losses to property and/or loss of life and disrupt our use of our facilities to conduct our operations, thereby adversely affecting our financial condition and results of operations.

26. *Hazardous material contamination or other industrial disasters could adversely impact our business.*

Our activities involve the controlled use of toxic and potentially harmful biological materials, as well as hazardous materials, chemicals and various radioactive compounds. Our activities involve, and will continue to

involve, the creation of hazardous substances or wastes, including medical waste and other highly regulated substances.

If improperly handled or subjected to the wrong conditions, these materials could hurt our employees and other persons, cause damage to our properties and accidental contamination of or harm to the environment. Also, increases in business and operations in our facilities, can pose increased safety hazards. Such hazards need to be addressed through training, industrial hygiene assessments and other safety measures and, if not carried out, can lead to industrial accidents.

In the event of any such accident, we could be held liable for damages and clean-up costs which might not be covered by existing insurance or indemnification. In addition, we could be subject to significant litigation and the shutdown of our facilities, which in turn could delay or prevent us from fulfilling our obligations to clients.

In addition, since we conduct our operations at Biocon Park, where Biocon also conducts its own operations, we may be subject to damages and liabilities under our contractual arrangements and otherwise due to an accident involving Biocon that causes a partial or complete shutdown of Biocon Park.

Further, our insurance coverage may not be adequate to cover any loss or damage to life and property or any consequential losses. Any fatal accident or incident causing damage or loss to life and property, even if we are fully insured or held not to be liable, could negatively affect our reputation, thereby making it more difficult for us to conduct our business operations effectively, and could significantly affect the cost or availability of insurance coverage in the future.

For the foregoing reasons, hazardous material contamination or other industrial disasters could adversely impact our business, financial results and reputation.

27. *We may not have sufficient insurance coverage to cover all possible economic losses and liabilities associated with our business.*

Our operations are subject to various risks, and we rely upon insurance coverage to insure against fire, earthquake and other disasters as well as thefts and riots. In addition, not all of the above risks may be insurable, on commercially reasonable terms, or at all. To the extent that we suffer damage or losses which are not covered by insurance, or exceeds the insurance coverage, the loss would have to be borne by us. The proceeds of any insurance claim may also be insufficient and any losses suffered due to inadequate coverage may have a material adverse impact on our business, financial condition and results of operations. For more details, please see the section “Our Business” on page 115.

In addition, some of our client contracts require us to maintain certain kinds of insurance policies of specified values. We may not obtain or be able to obtain the specified insurance coverage required under each such contract, thereby exposing us to claims of breach of contract by our clients and consequently we may be liable to pay damages to such clients.

28. *Our business operations may be disrupted by an interruption in power or water supply which may impact our business operations.*

Our operations require constant water and power supply and any disruption in the supply of water or power may disrupt our operations. Any disruption in water or power supply may interfere with our discovery, development and manufacturing activities requiring us to either stop our operations or repeat activities which may involve additional time and expenditure. In recent years, there have been increasing disruptions in water and power supply in Bengaluru city and its surrounding areas, and there can be no assurance that the situation will not worsen. Any continuous disruptions may adversely affect our business operations.

29. *We enter into various agreements in the normal course of business which incorporate provisions requiring us to indemnify the other party to the agreement.*

In the normal course of business, we enter into agreements with our clients that incorporate indemnification provisions. Under certain circumstances, our indemnification obligations under such agreements may be unlimited in duration and amount. In the event that our obligations under an indemnification provision exceed our insurance coverage or we are denied insurance coverage, it could have a material adverse impact on our business, financial condition and results of operations. For further details, see “Our Business” on page 115.

- 30. *We have recorded transfer of certain Equity Shares and issued bonus Equity Shares to certain non-resident shareholders without obtaining prior approval from the FIPB. While the regulator has not raised any concerns to date, we cannot assure you that the regulator will not take a divergent view and impose penalties on us.***

Foreign investment in India is currently and has historically been regulated by the RBI and the FIPB, under the erstwhile Foreign Exchange Regulation Act, 1973 (“FERA”) (now repealed) and currently under the Foreign Exchange Management Act, 1999 (“FEMA”), as amended from time to time, and the regulations framed thereunder, which prescribe certain requirements, limitations and conditions with respect to foreign exchange transactions, such as restrictions on security issuances to non-resident persons in case of companies falling under certain specified sectors, which may require prior notice to or approval by the FIPB and/or by the RBI, as the case may be.

In the past we have recorded certain transactions, such as the transfer of certain Equity Shares as detailed in the section “History and Other Corporate Matters—Summary of Key Agreements” on page 143, for which we have informed the FIPB in writing. We have also undertaken an issue of bonus shares to non-resident shareholders in 2012. We believe that such transactions were undertaken under the automatic route, within permissible limits and in accordance with applicable regulations, and hence no prior approval was required to be obtained. While the regulator has not raised any concerns to date, we cannot assure you that the regulator will not take a divergent view and impose penalties on us, which may impact our financial position.

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

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

- 32. *Health care industry reform could reduce or eliminate our business opportunities and otherwise adversely impact our business and financial results.***

The health care industry is subject to changing political, economic, and regulatory influences that may also affect the CRO industry. In recent years, several comprehensive health care reform proposals were introduced in the United States Congress. The intent of the proposals was, generally, to expand health care coverage for the uninsured and reduce the growth of total health care expenditures. In addition, other foreign governments may also undertake health care reforms in their respective countries. These reforms, if adopted, would make the development of new drugs less profitable for our clients, and could reduce their research and development budgets. Business opportunities available to us could decrease materially if the implementation of government health care reform adversely affects research and development expenditures by multinational companies.

In addition, government bodies have adopted and may continue to adopt new healthcare legislation or regulations that are more burdensome than existing regulations. For example, product safety concerns and recommendations by the U.S. Drug Safety Oversight Board could change the regulatory environment for drug products, and new or heightened regulatory requirements may increase our expenses or limit our ability to offer some of our services. Additionally, new or heightened regulatory requirements may have a negative impact on

the ability of our clients to conduct industry-sponsored clinical trials, which could reduce the need for our post-approval development services.

33. *Our clinical trials create a risk of liability and increased regulations, which may have an adverse impact on our business and results of operations.*

Clinical services involve the testing of new drugs, biologics and devices on human volunteers. This testing creates risks of liability for personal injury, sickness or death of patients resulting from their participation in the study. These risks include, among other things, unforeseen adverse side effects, improper application or administration of a new drug, biologic, or device, and the professional malpractice of medical care providers. Many volunteer patients already are seriously ill and are at heightened risk of future illness or death.

We could be held liable for errors or omissions in connection with the services we perform or for the general risks associated with our clinical trials including, but not limited to, adverse reactions to the administration of drugs. If we are required to pay damages or bear the costs of defending any claim outside the scope of, or in excess of, the contractual indemnification provided by our clients that is beyond the level of any insurance coverage, our business and results of operations may be adversely impacted.

In addition, regulatory agencies may introduce newer stricter regulations that prevent or restrict clinical trials. Our clinical studies may also be the focus of negative attention from special interest groups that oppose clinical trials on ethical grounds. Any inability to conduct clinical trials would have a material adverse effect on our business and results of operations.

34. *Negative attention from special interest groups may impair our ability to operate our business efficiently.*

Some of the services we provide utilise animals in testing of the safety and efficacy of drugs and for biomedical research. Certain special interests groups categorically object to the use of animals for valid research purposes. Historically, our core research model activities with small animals such as mice, rats and guinea pigs have not been the subject of negative attention or publicity. However, any negative attention or threats directed against our animal research activities in the future could impair our ability to operate our business efficiently. Acts of vandalism and other acts by animal rights extremists who object to the use of animals in discovery and development could have a material adverse effect on our business operations.

35. *Our animal populations may suffer diseases that can damage our inventory, adversely impact our reputation and business.*

It is important that our research products be free of diseases, including infectious diseases. The presence of diseases can distort or compromise the quality of research results, can cause loss of animals in our inventory and can result in harm to humans and animal populations outside our research facilities if the disease is not contained to animals in our inventory. Such results could adversely impact our reputation and our business.

36. *The interests of our Promoter, Biocon, may conflict with our interests or with the best interests of our other shareholders.*

After the completion of the Offer, our Promoter, Biocon will own, approximately 72.6% of our post-Offer paid-up equity share capital. As a result, Biocon will continue to exercise significant control over us, including being able to determine the outcome of director elections and decisions requiring a majority of the total voting power of our shareholders. The interests of our controlling shareholders may conflict in material aspects with our interests or with the best interests of our other shareholders and our controlling shareholders may not take decisions in our best interests. In addition, our non-Independent Directors, Kiran Mazumdar Shaw and John Shaw, are also directors of Biocon. Our Independent Directors, Charles Cooney, John Russell Fotheringham Walls and Daniel Mark Bradbury, are also directors of Biocon. For more details, see the section “Our Management” on page 146.

Among other situations, conflicts may arise in connection with our negotiations and dealings with Biocon, with respect to the contractual arrangements that we may enter into with them.

Biocon's relationship with us also means that it can influence the allocation of business opportunities presented to Biocon, especially in areas where Biocon and its other affiliates may offer similar services as us, among us, itself and its other subsidiaries. Biocon may in certain circumstances determine to have itself or other affiliates, instead of us, pursue business opportunities or cause such companies or us to undertake corporate strategies, the effect of which would be to benefit such companies instead of us and which could be detrimental to our interests. As a result, Biocon may have conflict of interest which may materially and adversely affect our business, results of operations and financial condition.

In addition, Biocon, as a drug manufacturer, also competes with many of our current and potential clients and these companies may perceive Biocon's control of us with negativity. The unwillingness of such companies to work with us may in turn adversely affect our business, prospects and results of operations.

37. *We may be adversely impacted by any acquisition of Biocon or any change in the beneficial ownership of Biocon.*

After the completion of the Offer, our Promoter, Biocon will own, approximately 72.6% of our post-Offer paid-up equity share capital. Over the years, Biocon has successfully brought to the market several affordable and alternative therapeutic drugs in the areas of diabetes, oncology and auto-immune diseases. Biocon is currently focused on bringing its portfolio of generic insulin and bio-similar monoclonal antibodies to global markets. In the event that Biocon is acquired by another multinational organisation in the biotechnology or pharmaceutical sector which competes with our clients, our clients may perceive a conflict of interest and terminate their contracts with us. We may also be unable to enter into new contracts with potential clients in the same industry.

38. *Our indebtedness could adversely affect our business and prospects, financial condition and results of operations.*

As at December 31, 2014, we had no long-term borrowings and our short-term borrowings were ₹1,830 million and we expect to incur additional indebtedness in relation with our capital expenditures. We have entered into certain agreements for short-term loans. Some of these agreements contain requirements to maintain certain security margins and financial ratios and also contain restrictive covenants, such as requiring lender consent for, among others things, issuance of new shares, making any material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking a merger, amalgamation or restructuring, undertaking guarantee obligations or declaring dividends. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business.

Our level of existing debt and any new debt that we incur in the future has important consequences. For example, such debt could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service our debt;
- limit our flexibility to react to changes in our business and in the industry in which we operate;
- place us at a competitive disadvantage with respect to any of our competitors who have less debt;
- require us to meet additional financial covenants;
- limit, along with other restrictive covenants, among other things, our ability to borrow additional funds; and
- lead to circumstances that result in an event of default, if not waived or cured. A default under one debt instrument may also trigger cross-defaults under other debt instruments.

For details regarding our financial indebtedness, please see the section “Financial Indebtedness” on page 176. Any of these developments could adversely affect our business, financial condition and results of operations. We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they come due. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot provide any assurance that we will be able to refinance any of our debt on commercially reasonable terms, or at all. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financing on terms acceptable to us, our business, prospects, financial condition and results of operations may be adversely affected.

39. *We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain or retain such approvals and licences or comply with such rules and regulations, and the failure to obtain or retain them in a timely manner or at all may adversely affect our operations.*

Our business is subject to extensive government regulation and we require certain approvals, licenses, registrations and permissions for operating our business, some of which may have expired and for which we may have either made or are in the process of making an application for obtaining the approval or its renewal. In addition, we may not be in compliance with certain conditions prescribed by such approvals or licences. For more information, see the section “Government Approvals” on page 231. There can be no assurance that the licenses, permits and approvals from third parties required for the operation of our facilities will be issued or granted to us in a timely manner to allow for the uninterrupted operations of the facilities. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, our business operations may be adversely impacted.

Further, in order to operate our business, we are also required to comply with certain rules and regulations under various statutes. We may not be in compliance with certain rules and regulations, including under the Maternity Benefits Act, 1961, Employment Exchanges (Compulsory Notifications of Vacancies) Act, 1959, Karnataka State Tax on Professions, Trades, Callings and Employments Act, 1976 and Drugs and Cosmetics Act, 1940. Whilst, the regulators have not raised a concern to date we cannot assure you that the regulator may take a divergent view and impose penalties on us, which may adversely impact our financial position.

40. *Our business depends significantly on the continued effectiveness of our information technology infrastructure, and failure of such technology could adversely impact our business and results of operations.*

The efficient operation of our business depends on our information technology infrastructure and our management information systems. Our information technology infrastructure includes both third party solutions and applications designed and maintained internally. Since we operate on multiple platforms, the failure of our information technology infrastructure and/or our management information systems to perform could severely disrupt our business and adversely affect our results of operation. In addition, our information technology infrastructure and/or our management information systems are vulnerable to damage or interruption from, amongst others, natural or man-made disasters, terrorist attacks, computer viruses or hackers, power loss, other computer systems, internet telecommunications or data network failures. Any such interruption could adversely affect our business and results of operations.

A significant portion of our operations rely on the secure processing, storage and transmission of confidential information, including client and personal confidential information. Our activities are subject to a risk of cyber security issues and/or attacks which could result in the disclosure or loss of confidential client information, damage to our reputation, additional costs, regulatory penalties and financial losses. Despite our security measures, our computer systems, software and networks, or those of our suppliers, clients and so on, are vulnerable to unauthorised access, loss or destruction of data (including confidential client information and personal health data), hardware malfunctions, computer viruses or other malicious code, cyber attacks and other events. These threats may derive from human error, fraud or malice on the part of employees or third parties, or may result from accidental technological failure. Also, changes to our operating systems, software or programs could adversely impact our business. Any disruption in the continued effectiveness of our information technology infrastructure, and/or in case of our technology infrastructure becoming outdated or obsolete could affect our business and results of operations.

41. Our Company will not receive any proceeds from this Offer.

Our Promoter, Biocon, is selling Equity Shares in this Offer and there is no fresh issue of Equity Shares by our Company. Accordingly, the funds raised by the sale of our Equity Shares in this Offer will not come to our Company. The primary objects of the Offer are to achieve the benefits of listing of our Equity Shares and carry out the divestment of Equity Shares by our Promoter.

42. We have a number of contingent liabilities, and our profitability could be adversely affected if any of these contingent liabilities materialise.

As of December 31, 2014, our contingent liabilities that have not been provided for are as set out below:	As at December 31, 2014 (₹ in millions)
Two corporate guarantees in favour of the Customs and Excise department ("CED") in respect of certain performance obligations of Biocon	465
Biocon has given corporate guarantees to the CED on behalf of our Company	245
Taxation matters under appeal.....	1,045
Service tax matters under appeal.....	57
VAT matters under appeal.....	1

For details see the section, "Financial Statements — Note 11 in Annexure IV" in accordance with the provisions of Accounting Standard 29 — "Provisions, Contingent Liabilities and Contingent Assets." If any of these contingent liabilities materialise, our profitability and cash flows could be adversely affected. For more details, see the section "Outstanding Litigation and Material Developments."

43. Our statutory auditors have included certain qualifications in their audit reports.

The statutory auditor's report on our financial statements as at and for the year ended March 31, 2013 included, as an annexure, a statement on certain matters specified in the Companies (Auditors Report) Order, 2003, (the "Order"), which was qualified to indicate that there was a slight delay in the remittance of service tax dues. In addition, the auditor's report by our statutory auditors dated April 26, 2012, April 27, 2011 and April 28, 2010 on the audited unconsolidated financial statements as at and for the year ended March 31, 2012, 2011 and 2010, respectively included, as an annexure, a statement on certain matters specified in the Order, which were qualified to indicate that our Company had used funds (loans) raised on a short-term basis for long-term investment. These loans, repayable within six months, were used for the purchase of fixed assets. Investors should consider these qualifications in evaluating our financial position, cash flows and results of operations.

44. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and restrictive covenants in our financing arrangements.

Our ability to pay dividends to our shareholders will depend upon our future earnings, financial condition, cash flows, planned capital expenditures and working capital requirements. Our ability to pay dividends is also restricted under certain financing arrangements that we have entered into and expect to enter into. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our planned capital expenditures and working capital requirements, financial condition and results of operations.

45. We have in the past entered into related party transactions and may continue to do so in the future and there can be no assurance that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

In the ordinary course of our business, we have entered into transactions with related parties that include our Promoter and certain Group Entities. These transactions primarily relate to leasing of land for our Registered Office and other facilities and for the provision of ancillary services.

While we believe that all related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, there can be no assurance that we could not have achieved more favourable terms if such transactions had 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 to you 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, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially

involve conflicts of interest which may be detrimental to our Company. For further details regarding our related party transactions, see the section “Related Party Transactions” as disclosed on page 173.

46. *There is outstanding litigation against our Company, our Directors, our Promoter and our Group Entities. An adverse outcome in any of these proceedings may affect our reputation and standing and impact our future business and could have a material adverse effect on our business, financial condition and results of operations.*

As on the date of this Draft Red Herring Prospectus, we are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate authorities.

We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant adverse effect on our cash flows business, financial condition and results of operations.

The following table sets out brief details of such outstanding proceedings involving our Company, our Promoter, our Directors and our Group Entities:

Nature of Cases	Number of Cases	Total Amount Involved (₹ in millions)*
Proceedings against our Company		
Direct Tax	10	1,046.5
Indirect Tax	10	9.3
Notices/ Threatened Litigation	2	51.8
Total	22	1,107.6
Proceedings against our Promoter		
Civil	12**	398.5
Criminal	1	-
Direct Tax	11	282.5
Indirect Tax	29	330.5
Notices/Threatened Litigation	1	2.7
Total	54	1,014.2
Proceedings against our Directors		
Civil	8	347.7
Criminal	1	-
Total	9	347.7
Proceedings against our Group Entities		
Direct Tax	2	496.0
Proceedings by our Promoter		
Civil	11	84.9
Criminal	11	8.6
Notices/ Threatened Litigation	5	6.6
Total	27	100.1

*The amounts indicated are approximate amounts, wherever quantifiable.

**Includes US\$ 693,000 converted at the rate of 1 US\$ = ₹63.3 and Euro 65,000 converted at the rate of 1 Euro = ₹77.

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities. For further details of legal proceedings involving our Company, our Promoter, our Directors and our Group Entities, please see the section “Outstanding Litigation and Material Developments” on page 211.

47. *During the 12 months preceding the date of the Draft Red Herring Prospectus, we have issued Equity Shares to various persons at a price which may be lower than the Offer Price.*

In the 12 months preceding the date of the Draft Red Herring Prospectus, our Company has issued Equity Shares at a price that may be lower than the Offer Price, as set forth below. For further details regarding such allotments, see “Capital Structure” on page 68.

Date of Issue	Name of the Allottee	Face Value (₹)	No. of Equity Shares	Issue Price (₹)
September 12, 2014	Biocon Research Limited	5	1,971,060	676.9
March 14, 2015	Arun Chandravarkar	5	1	676.9

Date of Issue	Name of the Allottee	Face Value (₹)	No. of Equity Shares	Issue Price (₹)
March 27, 2015	Bonus issue to all existing shareholders of our Company	10	171,931,136	Nil

48. Our Company, Promoter and Group Entities have taken unsecured loans that can be recalled at any time

As at December 31, 2014, our short-term unsecured borrowings were ₹1,080 million. These short-term unsecured borrowings are primarily from HSBC Limited, Yes Bank Limited and HDFC Bank Limited and may be recalled by the lenders at any time. In the event that any lender seeks the accelerated repayment of any such loan, it may have a material adverse effect on our business, cash flows and financial condition.

Our Promoter and Group Entities may also have availed of unsecured borrowings which may be recalled by the lenders at any time. If any of lenders of these short term unsecured borrowings seeks the accelerated repayment of any such loan, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

49. Some of our Group Entities have incurred losses in the past.

Certain of our Group Entities have incurred losses in the years as set forth below:

Sr. No	Name of the entity	Profit / (Loss) (Amount in ₹ million) for the year ended		
		March 31, 2012	March 31, 2013	March 31, 2014
1.	Biocon Research Limited	(403.9)	(898.7)	(414.8)
2.	Biocon Sdn. Bhd.	(0.3)*	(1.0)*	(2.1)*

*Amount in RM million

50. Our Company has had negative cash flows in the past years, details of which are given below. Sustained negative cash flow could impact our growth and business.

We have experienced negative cash flows historically. For the nine months period ended December 31, 2014, we had a negative cash flow from operating activities, i.e. net cash flow used in operating activities of ₹1,771 million. For fiscal year 2013, we had a net decrease in cash and cash equivalents of ₹259 million. For fiscal year 2011, we had a net decrease in cash and cash equivalents of ₹7 million.

Cash flow of a company is a key indicator to show the extent of cash generated from the operations of a company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For further details, please see the sections “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 175 and 189, respectively.

51. Our executive director, Kiran Mazumdar Shaw, and our CEO, Peter Bains, hold the position of executive director on the board of directors of Biocon Limited and Peter Bains Consulting Limited, respectively. Holding the position of executive director on other companies may divert their attention from the affairs of our Company and may adversely affect our business operations.

Our executive director, Kiran Mazumdar Shaw, and our CEO, Peter Bains, hold the position of executive director on the boards of Biocon Limited and Peter Bains Consulting Limited, respectively. Holding the position of an executive director involves dedicating a significant amount of time and effort by such person. Accordingly, the time and effort dedicated by Kiran Mazumdar Shaw and Peter Bains towards our Company and our operations may be reduced, which may adversely affect our business operations and results of operations.

52. Our Directors and key management personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Directors and key management personnel are also interested in us to the extent of their shareholding, share option grants, dividend entitlement and remuneration paid to them for services rendered as our Directors and key management personnel and reimbursement of expenses payable to them. For further information, see the section “Our Management” on page 146.

53. *Some of our lease agreements may have certain irregularities which may have a material adverse impact on our business.*

Some of our lease agreements have certain irregularities such as inadequate stamping and/or non registration of deeds and agreements and improper execution of lease deeds. The effect of inadequate stamping and non registration is that the document is not admissible as evidence in legal proceedings, and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping and non registration. In the event of any dispute arising out of such unstamped or inadequately stamped and/or unregistered lease agreements, we may not be able to effectively enforce our leasehold rights arising out of such agreements which may have a material adverse impact on our business.

54. *We have had instances of regulatory non-compliances and lapses in relation to regulatory filings to be made with the RoC under applicable company law.*

There have been two instances of discrepancies/non-compliances in relation to certain filings and disclosures made by our Company to the RoC under applicable company law. We have made applications to the RoC for compounding these non-compliances. Accordingly, the RoC may impose a monetary penalty on us, which may negatively impact our business, financial condition and results of operations.

55. *In one instance, we have failed to file the requisite forms for the issuance of our Equity Shares to non-residents. We are also unable to locate copies of certain regulatory filings made in the past in relation to issuances and transfers of our Equity Shares involving non-residents.*

Since incorporation, we have allotted our Equity Shares to certain non-resident shareholders. Under applicable foreign exchange laws, we are required to report such transactions involving non-residents in the forms specified, to the RBI within the specified time periods. We have in the past failed to file the requisite form for reporting a bonus issue to non-resident shareholders. We propose to make requisite applications to the RBI for compounding such non-compliances. The RBI may impose a monetary penalty on us in relation to this, which may negatively impact our financial position.

In addition, we are unable to locate copies of certain forms filed with the RBI in the past which we believe we have made in a timely manner. We cannot assure you that all relevant filings were made in relation to all our previous issuances and transfers of our Equity Shares in a timely manner or at all. We cannot assure you that the regulators will not take a divergent view and impose penalties on us, which may adversely impact our financial position.

56. *Our Group Entities may enter into the same or a related line of business as us, in future, which may lead to competition with such Group Entity.*

The charter documents of some of our Group Entities, such as Biocon Research Limited, Biocon Sdn. Bhd. and Biocon Pharma Limited, authorise such entities to undertake business operations in the same or related lines of business as us. While currently these entities are not involved in business operations in the same or related lines, we cannot assure you that they will not enter into same of related lines of business in the future. We may hence have to compete with our Group Entities for business which may impact our business, financial condition and results of operations. For further details in relation to our Group Entities, please see the section “Our Group Entities” on page 166.

57. *We do not have documentary proof for certain details included in the Director biographies under the section “Our Management” and litigation involving one of our Directors as described in the section “Outstanding Litigation and Other Material Developments” of this Draft Red Herring Prospectus.*

We do not have documentary proof for certain details included in the Director biographies under the section “Our Management” on page 146. The details included in the section are based on the details provided by the Directors and are supported by affidavits executed by such Directors, certifying the authenticity of the information provided. In addition, the litigation disclosures in relation to one of our non-resident Directors, Charles Cooney, provided under the section “Outstanding Litigations and other Material Developments” on page 211, are based on the representations by our Director, Charles Cooney, and we do not have the underlying litigation documents in this regard. We cannot assure you that all the details in relation to our Directors included in this section are true and accurate.

External Risks

58. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a change in the central or state government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular;
- high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins; and
- a slowdown in economic growth or financial instability in India could adversely affect our business and results of operations.

59. *The Companies Act, 2013 has effected significant changes to the existing Indian company law framework which may subject us to greater compliance requirements and increase our compliance costs.*

A majority of the provisions and rules under the Companies Act, 2013 have been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in an offer document, corporate governance norms, accounting policies and audit matters, reporting on internal controls over financial reporting by the board of directors, specific compliance requirements such as obtaining prior approval from audit committee, board of directors and shareholders for certain related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors, insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. We may also need to spend, in each financial year, at least two percent of our average net profits during the three immediately preceding financial years towards corporate social responsibility activities. As a result of the changes brought about by the Companies Act, 2013 to the provisions relating to accounting policies, going forward, we may also be required to apply a different rate of depreciation. Further, the Companies Act, 2013 imposes greater monetary and other liability on the Company and Directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, 2013, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

The Companies Act, 2013 has introduced certain additional requirements which do not have corresponding provisions under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such requirements due to limited jurisprudence in respect of the relevant provisions. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations issued by the SEBI). Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

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

The Competition Act, 2002, of India, as amended (“**Competition Act**”) regulates practices having an appreciable adverse effect on competition (“**AAEC**”) in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and results in the imposition of substantial penalties. Further, any agreement

among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, shares the market by way of geographical area or number of guests in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage.

We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

61. *Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.*

India has decided to adopt the “Convergence of its existing standards with IFRS” and not the “International Financial Reporting Standards” (“IFRS”). These “IFRS based / synchronised Accounting Standards” are referred to in India as Ind AS. The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timeliness for their implementation. Accordingly our Company is required to prepare their financial statements in accordance with Ind AS from April 1, 2016. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements.

Further, we have made no attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our financial statements and there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of our Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to IND AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

62. *It may not be possible for investors outside India to enforce any judgement obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.*

Our Company is incorporated as a public limited company under the laws of India and certain of our directors and executive officers reside in India. Further, most of our assets, and the assets of our executive officers and directors, are located in India. As a result, it may be difficult to effect service of process outside India upon us, including in the United States, and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India, including without limitation United States federal securities laws.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. The United States has not been declared as a reciprocating territory for the purposes of the Civil Code and thus a judgement of a court outside India may be enforced in India only by a suit and not by proceedings in execution. In order to be enforceable, a judgement from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “Civil Code”). The Civil Code only permits the enforcement of monetary

decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties and does not include arbitration awards. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgement for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgement in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgement is rendered may bring a fresh suit in a competent court in India based on a final judgement that has been obtained in a non-reciprocating territory within three years of obtaining such final judgement. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgement rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgement in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgement.

63. *The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.*

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism, military actions, civil unrests and other acts of violence or war in India and around the world, could adversely affect our business, financial condition and results of operations, including in the following respects:

- A natural or man-made disaster, could result in damage to our assets or losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the “avian flu” virus, the Ebola virus, or H1N1, the “swine flu” virus, could have a severe adverse effect on our business.
- Political tension, civil unrest, riots, acts of violence, situations of war or terrorist activities may result in disruption of services and may potentially lead to an economic recession and/or impact investor confidence.

India has, from time to time, experienced instances of civil unrest and political tensions and hostilities in some parts of the country and among neighbouring countries. Such political and social tensions could create a perception that investment in Indian companies involves higher degrees of risk could have a possible adverse effect on the Indian economy, future financial performance and the trading prices of our Equity Shares.

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

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

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

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all. In addition, due to possible delays in obtaining requisite approvals, investors in our Equity Shares may be prevented from realising gains during periods of price increase

or limiting losses during periods of price decline. Please see the section “Restrictions on Foreign Ownership of Indian Securities” on page 317.

Our Company shall make an application to Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for the transfer of Equity Shares by the Selling Shareholder to non-residents under the Offer. In the event that we do not receive this approval, we will not be able to transfer our Equity Shares to non-residents under the Offer. In addition, the FIPB may impose additional conditions for the transfer of Equity Shares by the Selling Shareholder to non-residents in the Offer thereby affecting the trading and transferability of Equity Shares transferred to non-residents in the Offer.

66. *Any downgrading of India’s debt rating by a domestic or international rating agency could adversely affect our business.*

India’s sovereign debt 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 our control. Any adverse revisions to India’s credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact 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.

67. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.*

Despite a decreasing trend in recent months, in recent years, India’s wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the cost of transportation, salaries, materials or any other expenses. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our clients and our results of operations and financial condition may be adversely affected.

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

The Equity Shares will be quoted in Indian Rupees on the BSE and the NSE. Any dividends in respect of the Equity Shares will be paid in Indian 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.

69. *A slowdown in global or Indian economic growth could cause our businesses to suffer.*

Our performance and the growth of our business are necessarily dependent on the health of the overall global and Indian economies. The global economic slowdown, coupled with high volatility and uncertainty as to the future global economic landscape, has had and continues to have an adverse effect on business globally. Any slowdown in economic growth or financial instability in India could also adversely affect our business, financial condition and results of operations.

70. *Changing laws, rules and regulations and legal uncertainties in India, may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. Please see the section “Regulations and Policies” on page 128 for details of the laws currently applicable to us.

There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may

have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially adversely impact our results of operations.

For instance, the Government has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable. The Finance Bill, 2015 was announced on February 28, 2015, whereby certain changes have been announced in relation to various tax legislations. The changes introduced include hike in service tax rates, changes to Cenvat Credit Rules, 2004, changes in excise duty rates and amendments to the Customs Act, 1952. While the Finance Act, 2015 will be passed later this year to give effect to these changes, we cannot predict the impact of such changes on our business, financial condition and results of operations.

71. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

72. *The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.*

The Offer Price of the Equity Shares will be determined by us in consultation with the BRLMs through the Book Building Process. This price will be based on numerous factors, as described under “Basis for Offer Price” on page 88 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price.

73. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder’s ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Following the Offer, our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by all stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The stock exchanges are not required to inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell the Equity Shares or the price at which you may be able to sell the Equity Shares at any particular time.

- 74. *There is no guarantee that our Equity Shares will be listed on the BSE and the NSE in a timely manner or at all, and any trading closures at the BSE and the NSE may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, permission for listing of our Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval requires all other relevant documents authorising the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any delay in obtaining the approval would restrict your ability to dispose of our Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and the U.S. The BSE and the NSE have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the BSE and the NSE could adversely affect the trading price of our Equity Shares.

- 75. *Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares or securities linked to Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares.

- 76. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. 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.

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

Indian legal principles related to corporate procedures, directors’ fiduciary duties and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights 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 shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

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

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

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

79. *There may be less information available about companies listed on the Indian securities markets compared to information that would be available if we were listed on securities markets in certain other countries.*

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the U.S. and certain other countries. SEBI governs the Indian capital market (along with the Indian stock exchanges, which also govern the companies whose securities are listed with them) and has issued regulations and guidelines on disclosure requirements, insider trading, substantial acquisitions and takeovers of listed companies and other matters. There may, however, be less publicly available information about companies listed on an Indian stock exchange compared to information that would be available if that company was listed on a securities market in certain other jurisdictions.

80. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Red Herring Prospectus.*

The financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

81. *There is no existing market for our Equity Shares, and a market with adequate liquidity may not develop. Our stock price may fluctuate after the Offer and, as a result, you may lose a significant part or all of your investment.*

Prior to the Offer, there has been no public market for our Equity Shares. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. In addition, immediately after the Offer, only 11% of our share capital will be available for trading on the stock exchanges. The trading price of our Equity Shares may fluctuate after the Offer due to a wide variety of factors, including:

- fluctuation in the stock price of our listed Promoter;
- volatility in the Indian and global securities market or in the Indian Rupee's value relative to the U.S. dollar or the Euro;
- our results of operations and performance;
- perceptions about our future performance or the performance of CRO companies generally;
- performance of our competitors and the perception in the market about investments in the CRO sector;

- significant developments in the regulation of pharmaceuticals and biotechnology in our key markets;
- adverse media reports on our Company or the Indian CRO industry;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

Further, the Offer Price will be determined by us in consultation with the BRLMs and may differ significantly from the price at which our Equity Shares will trade subsequent to completion of the Offer.

82. *You will not be able to sell immediately on an Indian Stock Exchange any of the Equity Shares you are allotted in the Offer.*

Under the SEBI ICDR Regulations, we are permitted to list the Equity Shares within 12 working days of the Bid/Offer Closing Date. Consequently, the Equity Shares you purchase in the Offer may not be credited to your dematerialised electronic account with Depository Participants until approximately 12 working days after the Bid/Offer Closing Date. You can start trading in the Equity Shares only after they have been credited to your dematerialised electronic account and final listing and trading approvals are received from the Stock Exchanges. There can be no assurance that final listing and trading approvals will be obtained from the Stock Exchanges on time or at all. Further, there can be no assurance that the Equity Shares allocated to you will be credited to your dematerialised electronic account, or that trading in the Equity Shares will commence within the specified time periods. In addition, pursuant to India regulations, certain actions are required to be completed before the Equity Shares can be listed and trading may commence. Investors' book entry or dematerialised electronic accounts with depository participants in India are expected to be credited only after the date on which the offer and allotment is approved by our Board of Directors. There can be no assurance that the Equity Shares allocated to prospective Investors will be credited to their dematerialised electronic accounts, or that trading will commence on time after allotment has been approved by our Board of Directors, or at all.

83. *We cannot guarantee the accuracy of third-party statistical, financial and other data or information in this Draft Red Herring Prospectus which may be incomplete or unreliable.*

Certain data relating to India, its economy or the industries in which we operate as contained in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable which have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. We have not independently verified data from industry publications and other sources and therefore cannot assure that they are complete or reliable. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. Statistical and other information in this Draft Red Herring Prospectus relating to matters relating to India, the Indian economy or the industries in which we operate have been derived from various government and other publications that we believe to be reliable. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, each of the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Red Herring Prospectus.

84. *There is no public market for our Equity Shares outside India.*

After the Offer, there will be no public market for our Equity Shares in the United States, the United Kingdom or any country other than India. The Offer Price will be determined by the Selling Shareholders in consultation with the BRLMs and we cannot assure you that the Offer Price will correspond to the price at which the Equity

Shares will trade subsequent to the Offer. Our outstanding Equity Shares may be sold in the United States only pursuant to a registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act. This may also affect the liquidity of the Equity Shares and restrict your ability to sell them.

85. *Certain of the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and may not be sold publicly within the United States.*

The Equity Shares to be offered and sold in the United States pursuant to an exemption from registration are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act. Restricted securities may not be sold publicly within the United States (although the Equity Shares may be sold to other qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A resales) unless they are registered under the Securities Act or sold pursuant to Rule 144 or another exemption from registration. Prospective investors are urged to consult with their own legal advisors regarding any contemplated investment in the Equity Shares, including in relation to compliance with applicable resale restrictions.

86. *Your ability to acquire and sell our Equity Shares in jurisdictions outside India is restricted by the distribution and transfer restrictions contained herein.*

No actions have been taken to permit a public offering of the Equity Shares in any jurisdiction except India. As such, the Equity Shares have not and will not be registered under the Securities Act, any state securities laws or the law of any jurisdiction other than India. Furthermore, the Equity Shares are subject to restrictions on transferability and resale. You are required to inform yourself about and observe these restrictions. We, our representatives and our agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares made other than in compliance with the restrictions contained herein. For details, see the section “Restrictions on Foreign Ownership of Indian Securities” on page 317.

Prominent Notes:

- Our Company was incorporated as Syngene International Private Limited on November 18, 1993 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Our Company was converted into a public limited company and the name of our Company was changed to Syngene International Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on April 19, 2007. For further details in relation to the change in the name of our Company, please see the section “History and Certain Corporate Matters” on page 137.
- Public Offer of up to 22,000,000 Equity Shares for cash at a price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] million by the Selling Shareholder, including a reservation of 2,000,000 Equity Shares for subscription by Biocon’s shareholders for cash at a price ₹[●] per Equity Share aggregating up to ₹[●] million. The Net Offer will constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company.
- Our net worth was ₹7,872 million as on December 31, 2014, in accordance with our Restated Financial Statements included in this Draft Red Herring Prospectus. For details, please see the section “Financial Statements” on page 175.
- Our net asset value per Equity Share was ₹40.7 as at December 31, 2014, as per our Restated Financial Statements.
- The average cost of acquisition of Equity Shares by our Promoter, Biocon Limited is ₹0.5 per Equity Share.
- Except as disclosed in the sections “Our Group Entities” and “Related Party Transactions” on pages 166 and 173, respectively, none of our Group Companies have business interests or other interests in our Company.
- For details of related party transactions entered into by our Company with the Group Companies and other related parties during the last financial year and the nine month period ended December 31, 2014, the nature of transactions and the cumulative value of transactions, please see the section “Related Party Transactions” on page 173.

- There have been no financing arrangements whereby our Promoter Group, the directors of our Promoter, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

Investors may contact the BRLMs for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, please see the section “General Information” on page 59.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from several industry sources. Certain information contained in this section is derived from the reports “Global CRO Market: Transformation, Developments, Opportunities and Future of CRO Market” by Frost & Sullivan, dated February 2015 (the “Frost & Sullivan Report”) and “Contract Drug Discovery Research: Outsourcing Global (CDDRO) Market-2018” by IQ4I Research & Consultancy Pvt. Ltd., dated January 2015 (the “IQ4I Report”). Information in the Frost & Sullivan Report reflects estimates based on sample survey, projection techniques and other research tools. References to Frost & Sullivan should not be considered as Frost & Sullivan’s opinion as to the value of any security or the advisability of investing in us.

Neither we nor any other person connected with the Offer has independently verified information contained in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

Unless otherwise specified, references to years in this section are to calendar years.

CRO Industry

Contract Research Organisations (“**CROs**”) offer outsourced services to support discovery and development for R&D driven organisations across industrial sectors like pharmaceuticals, biotechnology, biopharmaceuticals, nutraceuticals, animal health, agro-chemicals, cosmetics and electronics. CRO services span the range of R&D activities from New Molecular Entity (“**NME**”) discovery, development and manufacturing. Growth in the CRO market has historically been driven by growth in R&D spending and increased outsourcing of R&D activities.

The discovery and development process generally involves (1) discovery (target identification, target validation, lead generation, lead optimisation and lead selection), (2) development (pre-clinical testing, clinical testing and regulatory filings with the FDA and other relevant regulators), and (3) manufacture (process development and early stage manufacture) leading to commercialisation (manufacturing and post-marketing follow-up studies on impact and side effects).

Frost & Sullivan estimates that global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion, of which US\$105 billion could have potentially been outsourced (*Source: Frost & Sullivan Report*). According to IQ4I Research & Consultancy Pvt. Ltd (“**IQ4I**”), outsourcing penetration of CRO discovery services in 2013 is estimated to be 51.9% of the global pharmaceutical and biotech industry but poised to grow to 65.7% in 2015, reflecting a CAGR of 12.5% (*Source: IQ4I Report*). According to the Frost & Sullivan Report, outsourcing penetration for the CRO market for development services as of 2014 is estimated to be 27.3% of the potential outsourcing market for development services, but poised to grow to 38.7% in 2019, reflecting a CAGR of 12.5%.

Although the CRO industry has grown substantially in recent years, the opportunity to further penetrate potential outsourcing markets provides an opportunity for the industry to increase its share of global R&D expenditures.

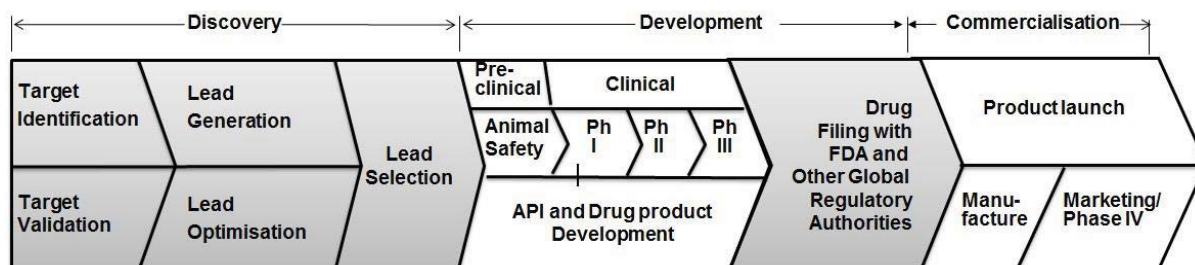
The global CRO market for discovery services was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion in 2018, reflecting a CAGR of 11.5% (2014-2018), according to the IQ4I Report. The global CRO market for development services was estimated to be US\$28.8 billion in 2014 and is expected to reach US\$44.6 billion in 2018, reflecting a CAGR (2014–2018) of 11.6%, according to the Frost & Sullivan Report.

Overview of CRO Services

CROs offer clients an opportunity to manage costs, have flexible operations and realise efficiencies in R&D and related functions. As an industry, CROs have expanded their service offerings over time to meet growing needs for full-service outsourcing across the full spectrum of R&D and related activities. In practice, however, most

CRO service providers specialise to some degree based on the needs of their clients and the market in which they operate.

CRO service providers will typically compete in various segments of (1) Discovery, (2) Development and (3) Manufacturing, as reflected below.



Discovery

Discovery covers the process from target identification to target validation to lead generation and lead optimisation. The focus at this stage is to narrow down thousands of compounds to a few hundred, promising possibilities for further research and development. Typically scientists begin with basic research on the physiological target and develop hypothetical mechanisms of action which could potentially bring about the desired outcome. Following basic research, researchers look for a lead compound—a promising molecule that could influence the target in line with the projected hypotheses and potentially become a medicine. Researchers do this in various ways, including creating a molecule, using high-throughput screening techniques to select a few promising possibilities from among thousands of potential candidates, finding compounds from nature, and using biotechnology to genetically engineer living systems to produce disease-fighting molecules.

Some of the key steps in the NME discovery process are described below:

- **Target Validation:** Target validation involves intensive *in vitro*, as well as *in vivo* studies that provide information on the effects of the pharmacological intervention. The result of these efforts helps establish sufficient knowledge so that physiologically relevant model systems could be developed into assays for downstream screening.
- **Lead Generation:** The aim of this stage of the work is to refine each hit series to try to produce more potent and selective compounds which possess properties adequate to examine their efficacy in any *in vivo* models that are available.
- **Lead Optimisation and Selection:** Lead optimisation and selection seeks to identify and synthesise lead compounds, new analogs with improved potency, reduced off-target activities, and physiochemical/metabolic properties suggestive of reasonable *in vivo* pharmacokinetics through chemical modification of the hit structure. Modifications are chosen by employing knowledge of the structure-activity relationship (SAR) as well as structure-based design if structural information about the target is available.

Development

After the NME discovery stage narrows down thousands of compounds to a few hundred promising possibilities, these molecules enter the development stage. The development stage spans preclinical and clinical testing in addition to drug substance and drug product development.

The key stages in the process are described as below:

- **Preclinical Testing:** This step involves exhaustive laboratory and animal experimentation of the pre-clinical drug candidates for safety and therapeutic effect in order to determine whether a compound is suitable for human testing. The focus during this stage is largely on generating data around safety and preliminary efficacy by testing the NMEs on relevant animal models. This process may take several years to come up with a molecule considered suitable for human testing. The data generated during this

stage is a critical part of the dossier which gets submitted to the relevant regulatory bodies in order to receive approval for the concerned NME for moving to clinical trials.

- **Clinical Trials:** Drug candidates approved by the relevant regulatory body are typically referred to as an Investigational New Drug Application (“IND”). INDs proceed to clinical trials. Broadly, clinical trials are studies in humans to determine the safety, efficacy and suitable drug dosage of potential drug candidates. The major phases in clinical trials are described below:
 - Phase I trials test a compound in a small group (e.g., 20 to 100) of healthy volunteers to determine the safety of the compound.
 - Phase II trials test the compound in a somewhat larger group (e.g., 100 to 500) of volunteers who have the disease or condition the compound is designed to treat. Phase II trials determine the effectiveness of the compound, examine possible short-term side effects and risks, and identify optimal dose and schedule.
 - Phase III trials test the compound in a much larger group (e.g., 1,000 to 5,000) of participants to generate statistically significant information about safety and efficacy and to determine the overall benefit-risk ratio.
 - Bio-analytical testing of clinical trial samples generated during the aforementioned studies to quantify the safety, efficacy and associated data related to the clinical trial end points. The data generated here helps in evaluating the success or failure of the trial with respect to its predefined objectives.
- **Drug Substance Development:** Drug substance development covers early stage and late stage process development and optimisation. This process starts at a candidate selection stage, with small quantities of drug substance being manufactured under non-GMP conditions for toxicology evaluation and under GMP conditions for initial clinical studies. Depending on the outcome of these studies, larger quantities of drug substance are manufactured for late stage clinical programs. As an NME passes through the clinical development continuum, increasing emphasis is placed on developing a robust, scalable, safe and efficient manufacturing process which can be used for subsequent commercialisation of the drug.
- **Drug Product Development:** Drug product development covers early stage and late stage formulation development and manufacture. The drug substance can be formulated in a variety of forms, depending on the preferred mode of administration. The formulations tend to be simpler for preclinical and Phase I trials. As the molecule moves further along the development cycle, the formulation becomes increasingly nuanced in line with the data being generated through the trials. The key formulation types are oral solid dosage forms (tablets, capsules, drug-in-capsule), oral liquid dosage forms (solutions and suspensions), injectable dosage forms (solutions and lyophilised), and modified release oral dosage forms (functionally coated mini-tablets, drug layered beads as well as matrix tablet formulations).

Manufacturing

NMEs can be used by millions of people or sometimes by a small, select population, and often are on the market for many years. Consequently, manufacturing facilities must be carefully designed so that the commercialised product can be consistently and efficiently produced at the highest level of quality.

Accordingly, manufacturing facilities must be constructed to the high standards to ensure safety and quality in the manufacturing process. For example, pharmaceutical companies must adhere to FDA or other relevant regulations, and must upgrade facilities when new NMEs are approved, since each new NME is manufactured differently.

SUMMARY OF OUR BUSINESS

Overview

We are one of the leading India-based contract research organisations (“CRO”), offering a suite of integrated, end-to-end discovery and development services for novel molecular entities (“NMEs”) across industrial sectors including pharmaceutical, biotechnology, agrochemicals, consumer health, animal health, cosmetic and nutrition companies. Our service offerings in discovery and development cover multiple domains across small molecules, large molecules, antibody-drug conjugates (“ADC”) and oligonucleotides. Our integrated discovery and development platforms help organisations conduct discovery (from hit to candidate selection), development (including pre-clinical and clinical studies, analytical and bio-analytical evaluation, formulation development and stability studies) and pilot manufacturing (scale-up, pre-clinical and clinical supplies) under one roof with a distinctive economic advantage. Our service offerings also support the development of bio-similar and generic molecules. In the near term, we intend to forward integrate into commercial-scale manufacturing of NMEs.

Outsourcing discovery and development work is an established alternative to in-house development among multinational organisations. While traditionally multinational organisations had looked at outsourcing as a way to reduce their research and development (“R&D”) expenditures, the R&D outsourcing industry is evolving from a mere leveraging of cost arbitrage to enhancing R&D productivity and reducing the time to market.

According to the Frost & Sullivan Report, the global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion, of which US\$105 billion could be potentially outsourced. According to the IQ4I Report, the global CRO market for discovery services, our core focus area in the CRO sector, was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion in 2018, reflecting a CAGR of 11.5% (2014-18).

As an experienced CRO with a proven track record of providing quality NME discovery, development and manufacturing services and continued focus on reliability, responsiveness and protection of client’s intellectual property, we believe we are well-positioned to benefit from the expected growth in the CRO industry. We offer an attractive variable cost alternative to the traditionally fixed cost, in-house, resource intensive business model of R&D focussed organisations.

We offer services through flexible business models that are customised to our client’s requirements. These range from a full-time equivalent (“FTE”) to a fee-for-service (“FFS”) model, or a combination thereof. During the nine months period ended December 31, 2014, we serviced 195 clients, ranging from multinational corporations to start-ups, including seven of the top 10 global pharmaceutical companies by sales for 2014. (*Source for top 10 global pharmaceutical companies by sales for 2014 — IMS Health MIDAS, December 2014*) We have several long-term relationships and multi-year contracts with our clients, including three long-duration multi-disciplinary partnerships, each with a dedicated research centre, with three of the world’s leading global healthcare organisations Bristol-Myers Squibb Co. (“BMS”), Abbott Laboratories (Singapore) Pte. Ltd. (“Abbott”) and Baxter International Inc. (“Baxter”).

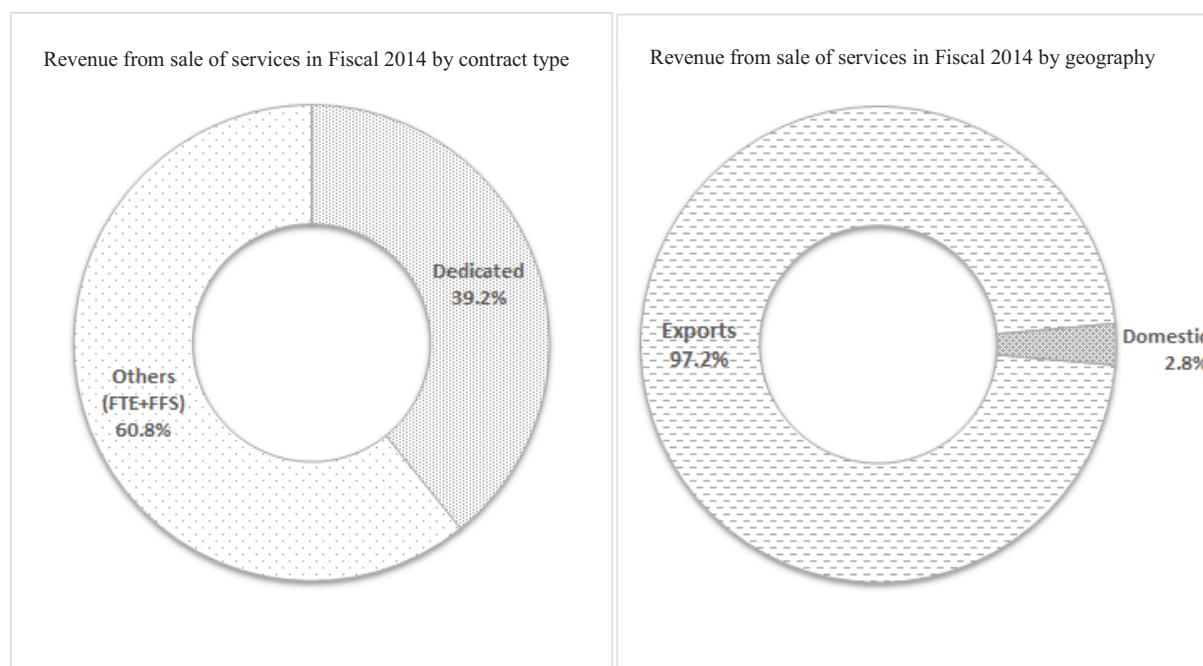
We deliver our services through a combination of scientific talent, globally accredited systems and R&D infrastructure. As of December 31, 2014, our tangible fixed assets (gross block) were ₹9,010 million. Our laboratory and manufacturing facilities are spread over more than 900,000 sq. ft. and located in Bengaluru, India. As of February 28, 2015, we had 2,096 scientists, including 259 Ph.Ds. and 1,661 scientists with a Master’s degree.

We were incorporated in 1993 and are headquartered in Bengaluru, India. We are a subsidiary of Biocon Limited (“Biocon”), a global biopharmaceutical enterprise focused on delivering affordable formulations and compounds. Biocon has been listed on the Indian stock exchanges since 2004 and as of March 31, 2015 had a market cap of ₹93.9 billion on the BSE as well as the NSE. Over the years, Biocon has successfully brought to the market several affordable and alternative therapeutic drugs in the areas of diabetes, oncology and autoimmune diseases. Biocon is currently focused on bringing its portfolio of generic insulins and bio-similar monoclonal antibodies to global markets.

For the nine months period ended December 31, 2014, we generated total revenue of ₹6,175 million, restated profit of ₹1,194 million and EBITDA of ₹2,071 million. For the fiscal year ended March 31, 2014, we generated total revenue of ₹7,077 million, restated profit of ₹1,348 million and EBITDA of ₹2,226 million. For the three fiscal years ended March 31, 2014, our total revenue, restated profit and EBITDA grew at a CAGR of 29.9%, 70.5% and 30.6%, respectively.

Effective April 1, 2014, our subsidiary Clinigene International Limited (“**Clinigene**”), through which we have provided our clinical research and clinical trial services, was amalgamated with us. Prior to this date, our results did not include the results of Clinigene.

For the fiscal year ended March 31, 2014, our revenue from the sale of services was ₹6,871 million. For the fiscal year ended March 31, 2014, we derived 39.2% and 60.8% of our revenue from the sale of services from long-term contracts with dedicated infrastructure and other contracts, respectively. For the fiscal year ended March 31, 2014, we derived 97.2% and 2.8% of our revenue from the sale of services to customers outside India and from customers in India, respectively. The charts below present the split of our revenue from the sale of services for the fiscal year ended March 31, 2014 between long-term contracts with dedicated infrastructure and other contracts and between customers outside India and customers in India, respectively:



Strengths

We believe we are well-positioned to capture market opportunities and to benefit from the expected growth in the R&D outsourcing market through our competitive strengths, which principally include the following:

World-class infrastructure, systems and processes that comply with quality standards to serve international markets and successful audits by regulatory authorities such as the FDA and EMA

As of December 31, 2014, our tangible fixed assets (gross block) were ₹9,010 million. Our laboratory and manufacturing facilities are spread over more than 900,000 sq. ft. and are located in Bengaluru, India. We believe our infrastructure, along with high standards of regulatory compliance and quality services, provide us with a sustainable competitive advantage. We operate our laboratory and manufacturing facilities to high standards that are consistent with the requirements of our large global clients. Our research facilities and systems are certified with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. Our pre-clinical research facilities are Good Laboratory Practices (“**GLP**”) certified and accredited by Association for Assessment and Accreditation of Laboratory Animal Care (“**AAALAC**”). Our clinical facilities are GLP compliant, National Accreditation Board for Testing and Calibration Laboratories (“**NABL**”), College of American Pathologists (“**CAP**”) and Central Drugs Standard Control Organisation (“**CDSCO**”) accredited and have undergone multiple FDA audits. In 2014, we successfully completed an FDA pre-approval inspection of one of our manufacturing facilities. In 2010 and 2013, we also successfully completed EMA audits of our bio-analytical and clinical facilities. In addition to regulatory inspections, our facilities and systems are regularly inspected by our clients.

Talented and qualified pool of scientists and an experienced management

We have an experienced and qualified team of scientists across multiple disciplines. As of February 28, 2015, 91.6% of our scientist pool of 2,096 scientists had a Master's degree or a Ph.D. We believe our position as an industry leader represents a significant competitive advantage in attracting and retaining high-quality scientists required to successfully execute our innovative business model and to differentiate our service offerings from those of other CROs. We recruit primarily from the large scientific talent pool in India as well as from overseas, in particular, Indian nationals returning home after having studied or worked overseas with significant educational or research industry experience. For the three fiscal years ended March 31, 2012, March 31, 2013 and March 31, 2014, we had an average attrition rate of 14.7%, which we believe is a low rate for our industry in India.

According to India's University Grants Commission's annual report for 2012-2013, approximately 4 million students enrol annually for undergraduate education in the sciences. We believe there is also a large pool of students who seek to pursue their career in India after obtaining scientific qualifications (Master's, Ph.D.'s and post-doctoral) overseas. This makes India an attractive destination for world-class talent which, when combined with modern R&D enabling infrastructure, makes a value proposition for multinational organisations looking to outsource R&D.

We are led by a dedicated and experienced executive management team that has a median of 20 years of experience across global clinical research, pharmaceutical and life sciences industries. Our team has leveraged its deep knowledge and wide network of industry relationships to drive significant growth in revenue and earnings over the past five years.

Integrated service offerings across multiple domains with a proven track-record of successful delivery, reliability, cost efficiency and client satisfaction

We have evolved from being a discovery chemistry and discovery biology-focused CRO to an integrated provider of discovery and development services for NMEs across a range of domains including small molecules, large molecule biologics, ADCs and oligonucleotides. The depth and breadth of our scientific capabilities and service offerings provide us multiple entry points during the life cycle of our clients' molecules across the discovery and development process. Our broad discovery and development capabilities also enable us to serve a number of industrial sectors beyond the pharmaceutical and biotechnology sectors.

We believe our operational track record in successful delivery of projects, responsiveness, process innovation, turnaround times, and productivity has facilitated the strengthening of our client base. Over the years, we have built significant credibility and a regulatory track record in various therapeutic platforms and service models. This has helped us attract a wider range of new clientele as well as deepen our existing client collaborations through successive renewal and expansion of contractual arrangements. An example of this can be found in our research collaboration with BMS, which since fiscal 2009 has produced nine drug candidates for further study and helped BMS reduce time and costs associated with advancing new compounds to first-in-human studies. There are also other examples of projects that have grown in size and where our working relationships with our clients have become more strategic.

Our flexible business models allow us to meet the discovery and development needs of a wide range of clients, from small biotechnology companies to large pharmaceutical companies. Through more than 20 years of experience, we have developed significant expertise managing large integrated collaborations and executing complex projects. In addition, we have been able to take advantage of India's large, low-cost scientific talent pool to deliver our services to multinational companies at competitive rates, especially when compared with costs for comparable services in developed countries.

Attractive and diversified client base with several client collaborations

During the nine months period ended December 31, 2014, we serviced 195 clients including seven of the top 10 global pharmaceutical companies by sales for 2014. We have longstanding, extensive relationships with multinational clients such as BMS, Baxter, and Merck & Co, as well as emerging small- to mid-sized companies such as Achillion Pharmaceuticals, Inc., Aquinox Pharmaceuticals, Inc. and Saniona AB. We continually strive towards strengthening our client relationships by ensuring that our service offerings keep pace with our clients' requirements. For example, in fiscal 2009, we established a dedicated centre for BMS to support their R&D across multiple disciplines. Over time, this dedicated centre has become their largest R&D presence in Asia with more than 400 scientists. The capabilities and therapeutic focus of this R&D centre have evolved in line with the shift in BMS' R&D strategy. BMS has also recently extended this engagement to 2020. Our integrated service

offerings coupled with consistent performance and delivery has helped us continuously renew our client engagements as well. To illustrate, eight of our top 10 clients for the nine months period ended December 31, 2014 had been working with us for at least five years. Regardless of size, our clients seek innovative product development, superior quality and skilled scientific knowledge to support their R&D needs.

Commitment to protection of our clients' intellectual property and data confidentiality

Protection of intellectual property and data confidentiality is integral to the success of R&D outsourcing. Since our inception, we have made it a strategic priority to safeguard our clients' proprietary rights by using well-established and strictly enforced intellectual property protection procedures. We have a zero-tolerance policy for confidentiality breaches and data leakages. We implement this policy through a combination of solutions including technology, work-flow and information segregation as well as legal remedies. All our employees are required to sign non-disclosure agreements when they join our Company. Our entire physical infrastructure is access controlled, with access granted only on a need-to-work basis. Information regarding the projects being undertaken is segregated and shared on a need-to know-basis post discussions with our clients. Work flows are designed to minimise overlaps and sharing of information between various groups. Data sharing instruments such as USB drives, external email and cloud access are restricted and monitored vigilantly. Furthermore, each of our three long-term clients, BMS, Abbott and Baxter, have a dedicated, ring-fenced infrastructure with secured connectivity in addition to our Company-wide intellectual property protection protocols. This physical separation of client projects ensures enhanced security and protection of our clients' intellectual property. We have not experienced any material breach of confidentiality to date.

Financial stability and stable cash flows

Discovery and development is an extensive process which builds a composite of information drawn from multiple disciplines. Typically organisations that engage in outsourcing for discovery and development are looking for a long-term engagement where a CRO partner can support them through the entire process. We have the financial stability and steady operational cash flows to enable the extension of our platforms in line with the present and future needs of our clientele. Our long term collaborations with certain clients lead to predictable and stable cash flows. Our strong balance sheet and financial performance has helped us in reassuring clients that we will be able to support their NME development with dedicated investments in terms of both capabilities and capacities. Over the years, we have invested in specialised services and equipment and dedicated infrastructure to support these growing needs. Our ability to make these investments helps strengthen trust and engagement with our clients, which enhances our ability to retain them and extend our engagement across multiple platforms. As at March 31, 2014 and December 31, 2014, our Debt / Equity ratio was 0.23 and 0.23, respectively. For fiscal 2014 and the nine months period ended December 31, 2014, our EBITDA was ₹2,226 million and ₹2,071 million, respectively.

Strategies

Our Company's vision is to be a world-class partner delivering innovative and scientific solutions for our clients. Accordingly, the key components of our strategy to achieve this vision are as follow:

"Follow the molecule" by providing our clients with integrated services

We plan to build on our success in integrated services to "follow" our clients' molecules across discovery, development and manufacturing. We believe that we are well-positioned as a one-stop shop for our clients to advance their R&D programmes from the discovery stage through preclinical and clinical trials and, with our new planned manufacturing facilities to support them through the commercialisation process. For example, we have worked on several of our clients' molecules from lead selection stage through phase I clinical trials and beyond, providing services encompassing various multi-disciplinary activities such as drug substance process development and current Good Manufacturing Practices ("cGMP") compliant manufacturing (from gram scale to multi-kg scale), formulation and analytical development and stability studies.

Expand capabilities and capacities while enhancing efficiencies in R&D services

We are establishing new capabilities and augmenting our existing services across the discovery and development continuum in line with the changing requirements of the global R&D focussed industries. For example, in 2009 we invested in biologics development capabilities in line with the increasing focus on large molecules by global organisations. We are now investing further in this area to drive our growth and capitalise on the changing pipeline mix of our clients. Additionally, we have invested in new capabilities such as the

discovery and development of ADCs and oligonucleotides. We have also established a bio-analytical centre to undertake high-end analysis which supplements our clinical services.

We continuously invest in capacity augmentation. In September 2014, our new 75,000 sq. ft. stability centre became operational and our 200,000 sq. ft. R&D centre, which will service increased requirements for discovery chemistry, discovery biology and dedicated centres, is scheduled to become operational in fiscal 2016. We are also in the process of setting up additional capacities in formulation development and biologics manufacturing.

We continue to enhance operational efficiency and increase productivity by leveraging technology, enhancing physical infrastructure, and improving processes. We have recently implemented an enterprise-wide SAP platform to facilitate business growth through efficient use of resources, creation of synergies and monitoring of performance. We continue to evaluate other measures including high through-put automation technologies to enhance efficiencies and improve performance.

Scale-up our manufacturing capabilities

We intend to evolve from a CRO into a Contract Research and Manufacturing Services (“CRAMS”) organisation with commercial-scale manufacturing capabilities, as we leverage our existing relationships with clients and provide forward integration on the discovery and development continuum. We currently manufacture developmental batches of both small and large molecules to support clinical trials for multiple clients. In the area of small molecules, we have multiple client-programmes that are in late-stage clinical development. We intend to leverage our longstanding client relationships and our successful regulatory track-record, including with the FDA, to become a commercial manufacturing partner of these clients. We have recently entered into a long-term contract with an existing client for commercial manufacturing of a novel small molecule API, which is currently under late stage development. We also intend to attract new clients for commercial manufacturing opportunities.

We have commenced the process of establishing a new commercial-scale facility in Mangaluru to manufacture novel small molecules for innovator companies in pharmaceutical, agrochemical and other industrial sectors. We have also expanded our current small molecule manufacturing facilities in Bengaluru to meet the interim manufacturing needs of our clients. Additionally, we are in the process of expanding our large molecule manufacturing capabilities by establishing a new unit in Bengaluru.

Engage, expand and extend client collaborations

We have seen an increasing trend amongst multinational companies to limit their outsourcing activities to a select group of CROs. This select group of CROs tends to have a broad range of integrated capabilities enabling clients to deepen and strengthen their engagement across multiple services. (Source: IQ4I Report) We believe that this trend will become more prevalent across the biotechnology and pharmaceutical industries, and we believe our track record of success and growing integrated service platforms position us to take advantage of such opportunities.

We intend to further leverage our successful delivery, quality performance and track record of successful audits by regulatory authorities such as the FDA and EMA and our clients and intellectual property protection to strengthen our client relationships. We believe there are significant opportunities to expand and extend our current collaborations by expanding the range and depth of discovery and development solutions used by those clients. We intend to do this by offering additional tailored solutions to their R&D and commercial pipeline.

In order to ensure we provide the most value to our clients and pursue new opportunities, we intend to continue to follow a targeted account management strategy based on a partnering approach and focussing on growth potential. Targeted client engagement including personalised project managers and visits to our facilities by clients can help expand existing client collaborations and win new clients. We will continue to pursue opportunities to establish dedicated centres to meet our clients’ long-term discovery and development and manufacturing requirements.

While pharmaceutical and biotechnology companies will continue to remain our core client base, we intend to deepen our penetration in allied sectors. We intend to extend our core competencies of discovery and development of small and large molecules to support organisations across sectors which have similar R&D requirements. This will include sectors such as nutraceuticals, animal health, agro-chemicals, cosmetics and electronics.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The Restated Financial Statements have been prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations and presented under the "Financial Statements" on page 175. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 175 and 189 respectively.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES

As at	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	(₹ in million) March 31, 2010
EQUITY AND LIABILITIES						
Shareholders' funds						
Share capital	271	261	261	241	29	29
Reserves and surplus	7,601	6,332	4,925	2,727	2,178	1,906
	7,872	6,593	5,186	2,968	2,207	1,935
Non - current liabilities						
Long-term borrowings	-	-	-	42	-	287
Deferred tax liability (net)	45	51	65	82	101	98
Other long-term liabilities	672	583	473	560	388	290
Long-term provisions	133	58	28	12	12	3
	850	692	566	696	501	678
Current liabilities						
Short-term borrowings	1,830	1,549	-	926	1,450	1,673
Trade payables	988	766	827	643	280	375
Other current liabilities	891	2,212	575	566	565	423
Short-term provisions	109	97	88	67	38	36
	3,818	4,624	1,490	2,202	2,333	2,507
TOTAL	12,540	11,909	7,242	5,866	5,041	5,120
ASSETS						
Non-current assets						
Fixed assets						
Tangible assets	4,892	3,941	3,810	3,830	3,876	4,027
Intangible assets	53	-	-	-	-	-
Capital work-in-progress	729	453	88	108	9	55
Non-current investments	-	1	1	1	-	-
Long-term loans and advances	1,071	1,031	863	497	392	340
Other non-current assets	1,213	143	110	51	-	-
	7,958	5,569	4,872	4,487	4,277	4,422
Current assets						
Current investments	258	3,520	691	-	26	109
Inventories	351	149	179	149	63	86
Trade receivables	1,377	943	766	434	384	327
Cash and bank balances	1,387	916	118	377	59	66
Short-term loans and advances	439	269	160	74	64	74
Other current assets	770	543	456	345	168	36
	4,582	6,340	2,370	1,379	764	698
TOTAL	12,540	11,909	7,242	5,866	5,041	5,120

SUMMARY STATEMENT OF PROFITS AND LOSSES

(₹ in million)

	Nine month period ended December 31, 2014	March 31, 2014	March 31, 2013	Year ended March 31, 2012	March 31, 2011	March 31, 2010
Income						
Revenue from operations	6,081	6,995	5,500	4,167	3,219	2,669
Other income	94	82	42	15	10	6
Total revenue (I)	6,175	7,077	5,542	4,182	3,229	2,675
Expenses						
Cost of chemicals, reagents and consumables consumed	1,826	1,898	1,485	1,146	870	704
(Increase)/ Decrease in inventories	(100)	16	(33)	(23)	10	(12)
Employee benefits expense	1,491	1,556	1,235	984	800	666
Other expenses	887	1,381	1,128	689	549	443
Depreciation and amortization expense	590	656	599	547	515	451
Finance costs	75	4	65	102	210	77
Total expenses (II)	4,769	5,511	4,479	3,445	2,954	2,329
Restated profit before tax [(I) - (II)]	1,406	1,566	1,063	737	275	346
Tax expenses						
Current tax	308	328	200	151	13	10
Less: MAT credit entitlement	(90)	(96)	(141)	(105)	(13)	(10)
Deferred tax	(6)	(14)	(17)	(19)	3	42
Total tax expense	212	218	42	27	3	42
Restated profit for the period / year	1,194	1,348	1,021	710	272	304

SUMMARY STATEMENT OF CASH FLOWS

Particulars	Nine month period ended December 31, 2014	March 31, 2014	March 31, 2013	Year ended March 31, 2012	March 31, 2011	(₹ in million) March 31, 2010
CASH FLOWS FROM OPERATING ACTIVITIES:						
Net profit before tax	1,406	1,566	1,063	737	275	346
Adjustments to reconcile profits before tax to net cash flows:						
Depreciation and amortization expense	590	656	599	547	515	451
Provision for doubtful receivables	2	10	-	-	-	-
Employee stock compensation expense	39	56	-	-	-	-
Unrealised exchange (gain)/loss	13	(61)	(4)	(17)	3	(47)
Interest expense	73	2	63	101	206	75
Dividend earned	(81)	(47)	(17)	(12)	(5)	(6)
Other operating income	(98)	(101)	(91)	(70)	(50)	(26)
Interest Income	-	(29)	(20)	-	-	-
Loss on sale of assets, net	-	-	-	-	1	1
Operating profit before working capital changes	1,944	2,052	1,593	1,286	945	794
Movements in working capital :						
Increase/ (Decrease) in trade payables	171	(56)	186	362	(55)	84
Increase/ (Decrease) in other liabilities	(1,540)	1,657	(8)	37	126	(49)
Increase/ (Decrease) in provisions	55	46	32	20	10	10
Decrease/ (Increase) in trade receivables	(344)	(203)	(326)	(37)	(56)	118
Decrease/ (Increase) in inventories	(202)	30	(30)	(86)	23	(55)
Decrease/ (Increase) in loans & advances	(251)	(57)	(43)	(67)	(2)	(10)
Decrease/ (Increase) in other assets	(1,288)	(125)	(172)	(169)	(132)	-
Cash generated from/ (used in) operations	(1,455)	3,344	1,232	1,346	859	892
Direct taxes paid (net of refunds)	(316)	(349)	(197)	(124)	(61)	(78)
Net cash flow from/ (used in) operating activities	(1,771)	2,995	1,035	1,222	798	814
CASH FLOWS FROM INVESTING ACTIVITIES :						
Purchase of tangible assets, including capital work in progress, capital advances and net of reimbursement from customers	(1,290)	(998)	(606)	(263)	(293)	(592)
Acquisition of intangible assets	(61)	-	-	-	-	-
Grant of loan to subsidiary	-	(199)	(235)	-	-	-
Recovery of loan from subsidiary	-	165	-	-	-	-
Proceeds from sale of tangible assets	-	28	12	-	22	-
Dividend received	81	47	17	12	5	6
Interest received	-	44	2	-	-	-
Proceeds from current investments	4,986	3,202	2,701	2,754	2,984	3,715
Purchase of current investments	(1,723)	(6,031)	(3,392)	(2,728)	(2,902)	(3,428)
Purchase of non current investments (shares in subsidiary)	-	-	-	(1)	-	-

Particulars	Nine month period ended December 31, 2014	March 31, 2014	March 31, 2013	Year ended March 31, 2012	March 31, 2011	(₹ in million) March 31, 2010
Net cash flow from/ (used in) investing activities	1,993	(3,742)	(1,501)	(226)	(184)	(299)
CASH FLOWS FROM FINANCING ACTIVITIES :						
Proceeds from issuance of share capital, net of share issue expenses and amounts recoverable from Trust	1,334	-	1,197	50	-	-
Recovery of loan from trust	40	-	-	-	-	-
Repayment of long term borrowings	-	(45)	-	(144)	(184)	(51)
Proceeds from long term borrowings	-	-	-	42	-	-
Proceeds/(Repayment) from short term borrowings, net	220	1,601	(926)	(549)	(231)	(321)
Interest paid	(73)	(2)	(64)	(98)	(206)	(78)
Dividend paid on equity shares	(1,138)	-	-	-	-	-
Tax on equity dividend paid	(193)	-	-	-	-	-
Net cash flow from/ (used in) financing activities	190	1,554	207	(699)	(621)	(450)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	412	807	(259)	297	(7)	65
Effect of exchange difference on cash & cash equivalents held in foreign currency	57	(9)	-	21	-	-
Cash and cash equivalents at the beginning of the period/year	916	118	377	59	66	1
Cash and cash equivalents acquired on merger	2	-	-	-	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	1,387	916	118	377	59	66
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD/YEAR						
Balance with Banks:						
In current accounts	1,387	916	118	377	59	66
	1,387	916	118	377	59	66

Auditor Qualifications and Adverse Remarks

The Auditor has included qualifications with respect to matters specified in the Companies (Auditor's Report) Order, 2003, as amended, in the annexure to their report on our audited financial statements as of and for the financial years then ended as provided below. These auditor qualifications do not require any corrective material adjustments in our Restated Financial Statements. We provide below, these auditor qualifications as well as our Company's corrective steps in connection with these remarks:

Annexure to the Auditor's report for the Financial Year ended March 31, 2013

- The Auditor reported that undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in remittance of service tax dues.

No systemic corrective actions required.

Annexure to the Auditor's report for the Financial Year ended March 31, 2012

- The Auditor reported that according to the information and explanations given to them and on an overall examination of the balance sheet of the Company, the Company has used funds raised on short term basis for long – term investment. The Company has obtained short term loans from banks amounting to ₹116 million as at March 31, 2012. These loans, repayable within six months, have been used for the purchase of fixed assets.

The short term loans were taken to take the benefit of the lower interest rates after taking into account planned cash flows to meet liquidity requirements.

Annexure to the Auditor's report for the Financial Year ended March 31, 2011

- The Auditor reported that according to the information and explanations given to them and on an overall examination of the balance sheet of the Company, the Company has used funds raised on short term basis for long – term investment. The Company has obtained short term loans amounting to ₹1,003 million as at March 31, 2011. These loans, repayable within six months, have been used for the purchase of fixed assets.

The short term loans were taken to take the benefit of the lower interest rates after taking into account planned cash flows to meet liquidity requirements.

Annexure to the Auditor's report for the Financial Year ended March 31, 2010

- The Auditor reported that according to the information and explanations given to them and on an overall examination of the balance sheet of the Company, the Company has used funds raised on short term basis for long – term investment. The Company has obtained short term loans amounting to ₹1,322 million as of March 31, 2010. These loans, repayable within six months, have been used for the purchase of fixed assets.

The short term loans were taken to take the benefit of the lower interest rates after taking into account planned cash flows to meet liquidity requirements.

THE OFFER

Offer*	22,000,000 Equity Shares aggregating to ₹[●] million
<i>Including</i>	
Biocon Shareholders Reservation Portion	Upto 2,000,000 Equity Shares
Net Offer	20,000,000 Equity Shares
<i>Of which</i>	
A) QIB Category	10,000,000 Equity Shares
<i>Of which</i>	
Anchor Investor Portion	6,000,000 Equity Shares
Available for allocation to Mutual Funds only	200,000 Equity Shares
Balance for all QIBs including Mutual Funds	3,500,000 Equity Shares
B) Non-Institutional Category	Not less than 3,000,000 Equity Shares
C) Retail Category	Not less than 7,000,000 Equity Shares
Equity Shares outstanding prior to the Offer	200,000,000 Equity Shares
Equity Shares outstanding after the Offer	200,000,000 Equity Shares
Use of Offer Proceeds	Our Company will not receive any proceeds from the Offer for Sale. See “Objects of the Offer” on page 87

* The Selling Shareholder is offering upto 22,000,000 Equity Shares, pursuant to the resolution passed by its board of directors on January 22, 2015.

Notes

- The Offer shall constitute 11.0% of our post-Offer equity share capital.
- In terms of regulation 26(6) of the SEBI ICDR Regulations, the Equity Shares offered by the Selling Shareholder in the Offer have been held by it for more than a period of one year as on the date of this Draft Red Herring Prospectus.
- Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category 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 at which allocation is being made to Anchor Investors. In case of under subscription in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Category. For further details see “Offer Procedure” on page 265.
- The Retail Discount, if any, will be offered to Retail Individual Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion at the time of making a Bid. Retail Individual Bidders and Biocon Shareholders bidding at a price within the Price Band can make payment at the Bid Amount, at the time of making a Bid. Retail Individual Bidders and Biocon Shareholders bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Retail Discount at the time of making a Bid. Retail Individual Bidders and Biocon Shareholders must ensure that the Bid Amount, does not exceed ₹200,000. Retail Individual Investors should note that while filling the “SCSB/Payment Details” block in the Bid cum Application Form, Retail Individual Bidders must mention the Bid Amount.
- Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For details, see “Offer Procedure” on page 265.
- Under-subscription, if any, in any category including the Biocon Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the Biocon Shareholders Reservation Portion shall be added back to the Net Offer to the public portion. In case of under-subscription in the Net Offer to the public portion, spill-over to the extent of such under-subscription shall be permitted from the Biocon Shareholders Reservation Portion.

For details, including in relation to grounds for rejection of Bids, refer to the “Offer Procedure” on page 265.
For details of the terms of the Offer, see “Terms of the Offer” on page 256.

GENERAL INFORMATION

Our Company was incorporated as Syngene International Private Limited on November 18, 1993 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Pursuant to a special resolution of the shareholders dated March 26, 2007, our Company was converted into a public limited company and the name of our Company was changed to Syngene International Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on April 19, 2007. For details of change in the name and registered office of our Company, see “History and Certain Corporate Matters” on page 137.

For details of the business of our Company, see “Our Business” on page 115.

Registered and Corporate Office of our Company

Syngene International Limited
 Biocon SEZ, Biocon Park
 Plot No. 2 & 3, Bommasandra Industrial Area IV Phase
 Jigani Link Road
 Bommasandra
 Bengaluru 560 099
 Karnataka, India
 Tel: (+91 80) 2808 2808
 E-mail: investor@syngeneintl.com
 Website: www.syngeneintl.com

Corporate Identification Number: U51909KA1993PLC014937
 Registration Number: 014937

Address of the RoC

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

Registrar of Companies
 'E' Wing, 2nd Floor
 Kendriya Sadana
 Koramangala
 Bengaluru 560 034
 Karnataka, India

Board of Directors

The Board of our Company comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus:

Name	Designation	DIN	Address
Kiran Mazumdar Shaw	Managing Director	00347229	Glenmore, No. 58 Goolimangala Village Sarjapur, Hobli, Anekal Taluk Bengaluru 562 106 Karnataka, India
Peter James Jonathan Bains	Director and Chief Executive Officer	00430937	Hutchins Barn Forty Green Road Knotty Green, HP91XL Beaconsfield, 76152 United Kingdom
John Mcallum Marshall Shaw	Non-Executive Director	00347250	Glenmore, No. 58 Goolimangala Village Sarjapur, Hobli, Anekal Taluk Bengaluru 562 106 Karnataka, India
Catherine Patricia Rosenberg	Non-Executive Director	06422834	565, Hemingway Place Waterloo ON, N2T1Z4 Canada
Charles Leland Cooney	Non-Executive, Independent	01056607	35, Chestnut Pl

Name	Designation	DIN	Address
	Director		Brooke Line Massachusetts, 02445 United States of America
John Russell Fotheringham Walls	Non-Exectutive, Independent Director	03528496	49 Strand on the Green London W4 3PD United Kingdom
Daniel Mark Bradbury	Non-Exectutive, Independent Director	06599933	5462, Soledad Road La Jolla, California 92037 United States of America
Paul Frederick Blackburn	Non-Exectutive, Independent Director	06958360	3, Beeches Park Beaconsfield, HP9 1PH Buckinghamshire, HP9 1PH United Kingdom

For further details of our Directors, see “Our Management” on page 146.

Company Secretary and Compliance Officer

Mayank Verma
Biocon SEZ, Biocon Park
Plot No. 2 & 3, Bommasandra Industrial Area IV Phase
Jigani Link Road, Bommasandra, Bengaluru 560 099
Karnataka, India
Tel: (+91 80) 2808 2808
Fax: (+91 80) 2808 3189
E-mail: investor@syngeneintl.com

Chief Financial Officer

MB Chinappa
Biocon SEZ, Biocon Park
Plot No. 2 & 3, Bommasandra Industrial Area IV Phase
Jigani Link Road, Bommasandra, Bengaluru 560 099
Karnataka, India
Tel: (+91 80) 2808 2808
Fax: (+91 80) 2808 3189
E-mail: mb.chinappa@syngeneintl.com

Investors can contact the Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

Book Running Lead Managers

Axis Capital Limited
1st Floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel: (+91 22) 4325 2183
Fax: (+91 22) 4325 3000
E-mail: syngene.ipo@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Kanika Goyal
SEBI Registration No.: INM000012029

Credit Suisse Securities (India) Private Limited
9th Floor, Ceejay House
Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
Tel: (+91 22) 6777 3777
Fax: (+91 22) 6777 3820
E-mail: list.ibdprojectsilver2015@credit-suisse.com
Investor Grievance E-mail:
list.igcellmer-bnkg@credit-suisse.com
Website: https://www.credit-suisse.com/in/IPO/
Contact Person: Mukti Hariharan
SEBI Registration No.: INM000011161

Jefferies India Private Limited

42/43, 2 North Avenue
Maker Maxity, Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: (+91 22) 4356 6000
Fax: (+91 22) 6765 5595
E-mail: syngene.ipo@jefferies.com
Investor Grievance E-mail:
india.investor.grievance@jefferies.com
Website: www.jefferies.com
Contact Person: Ranjan Prabhu
SEBI Registration No.: INM000011443

Syndicate Members

[•]

Indian Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.

201, Midford House, Midford Garden
Off M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 2558 4870
Fax: (+91 80) 2558 4266

Indian Legal Counsel to the BRLMs

AZB & Partners

AZB House
67/4, 4th Cross, Lavelle Road
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 4240 0500
Fax: (+91 80) 2221 3947

International Legal Counsel to the BRLMs

Sidley Austin LLP

Level 31
Six Battery Road
Singapore 049909
Tel: (+65) 6230 3900
Fax: (+65) 6230 3939

Auditors to the Company

S. R. Batliboi & Associates LLP

Chartered Accountants
12th and 13th Floor
UB City, Canberra Block
No. 24, Vittal Mallya Road
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 2210 6000
Fax: (+91 80) 6727 5000
Email: SRBA@in.ey.com
Firm Registration No.: 101049W

Bankers to the Offer and/ or Escrow Collection Banks

[•]

Refund Bankers

[•]

Bankers to our Company

The Hong Kong and Shanghai Banking Corporation Limited

No. 7, M. G. Road
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 2500 2011
Fax: (+91 22) 4914 6160
Email: dilipchaini@hsbc.co.in
Website: www.hsbc.co.in
Contact Person: Dilip Chaini / Mohit Agarwal

HDFC Bank Limited

8/24, Salco Centre
Richmond Road
Bengaluru 560 025
Karnataka, India
Tel: (+91 80) 6663 3079
Fax: (+91 80) 6663 3080
Email: Sarathyt.rajaraman@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: TR Sarathy

State Bank of India

Overseas Branch, No-65
St. Marks Road
Bengaluru 560 001
Karnataka, India
Tel: (+91) 97400 54899
Fax: (+91 80) 2594 3408
Email: sundaresh.nanjundaiah@sbi.co.in
Website: www.sbi.co.in
Contact Person: MN Sundaresh

Registrar to the Offer

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad 500 032
Tel: (+91 40) 6716 2222
Fax: (+91 40) 2300 1153
Email : einward.ris@karvy.com
Investor Grievance E-mail:Syngene.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221

The Royal Bank of Scotland N.V.

No.24, Vittal Mallaya Road, UB City, 8th floor,
Canberra Block
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 4022 7302
Fax: (+91 80) 4147 7576
Email: parikshit.daga@rbs.com
Website: www.rbs.in
Contact Person: Parikshit Daga

Yes Bank Limited

Corporate Banking
1st Floor, Prestige Obelisk
Municipal No. 3,
Kasturba Road
Bengaluru 560 001
Karnataka, India
Tel: (+91 80) 3042 9080
Fax: (+91 80) 3042 9139
Email: Ramanujam.r@yesbank.in
Website: www.yesbank.in
Contact Person: Ramanujam R

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidders DP ID, Client ID,

PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the Syndicate Member at the Specified Locations or Registered Broker at the Broker Centre where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details of the Designated Branches which shall collect Bid cum Application Forms from the ASBA Bidders, please refer to the above-mentioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form are provided on the aforementioned website of SEBI.

Registered Brokers

Bidders can submit Bid cum Application Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Experts

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

Our Company has received written consent from the Statutory Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the Auditors dated April 1, 2015 on the Restated Financial Statements, and the statement of tax benefits dated April 1, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Monitoring Agency

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

Appraising Entity

No appraising agency has been appointed in respect of any project of our Company.

Inter-se allocation of Responsibilities:

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

Activity	Responsibility	Co-ordination
Capital structuring with the relative components and formalities such as type of instruments, etc	Axis, Credit Suisse, Jefferies	Axis
Due diligence of the Company's operations /management / business plans /legal, etc. Drafting and design of offer documents and of statutory advertisement including memorandum containing salient features of the Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of the Prospectus and filing with the RoC	Axis, Credit Suisse, Jefferies	Axis
Coordinating approval of all statutory advertisements in relation to the Offering	Axis, Credit Suisse, Jefferies	Axis
Appointment of other intermediaries including Bankers to the Offer, Printers and PR Agency; Registrar, as applicable	Axis, Credit Suisse, Jefferies	Axis
Coordinating approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc	Axis, Credit Suisse, Jefferies	Credit Suisse
Non-Institutional and Retail Marketing of the Offering, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Formulating marketing strategies, preparation of publicity budget; Finalizing Media and PR strategy Finalizing centres for holding conferences for brokers etc. Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material; and finalizing collection centres. 	Axis, Credit Suisse, Jefferies	Axis
International Institutional Marketing of the Offering, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; and Finalizing road show schedule and investor meeting schedules. 	Axis, Credit Suisse, Jefferies	Credit Suisse
Domestic Institutional Marketing of the Offering, which will cover, <i>inter alia</i> , <ul style="list-style-type: none"> Finalizing the list and division of investors for one to one meetings; and Finalizing road show schedule and investor meeting schedules 	Axis, Credit Suisse, Jefferies	Jefferies
Preparation of the roadshow presentation and FAQ	Axis, Credit Suisse, Jefferies	Jefferies
Finalization of pricing in consultation with the Company and Managing the book	Axis, Credit Suisse, Jefferies	Credit Suisse
Co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Axis, Credit Suisse, Jefferies	Axis
Post-Bidding activities – co-ordination on Anchor, management of escrow accounts, co-ordination of non-institutional and institutional allocation, intimation of allocation and dispatch of refunds to Bidders, etc. The Post Offer activities for the Offer will involve essential follow up steps, which include the finalisation of basis of allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Offer and Escrow Collection and Refund Banks. The BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.	Axis, Credit Suisse, Jefferies	Axis
Payment of the applicable Securities Transaction Tax on sale of unlisted equity shares by the Selling Shareholder under the offer for sale included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.	Axis, Credit Suisse, Jefferies	Axis

Credit Rating

As this is an issue of Equity Shares, there is no credit rating for the Offer.

Trustees

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

Book Building Process

The book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Kannada newspapers respectively (Kannada being the regional language of Karnataka where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/ Offer Opening Date. The Offer Price shall be determined by our Company and the Selling Shareholder in consultation with the BRLMs after the Bid/ Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholder;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer; and
- the Escrow Collection Bank(s).

In terms of Rule 19(2)(b)(iii) of the SCRR, this is a Net Offer for atleast 10% of the post Offer capital of our Company. The Offer is being made under Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Selling Shareholder may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which atleast one-third will be available for allocation to domestic Mutual Funds only. In the event of non Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the net QIB Portion.

5% of the net QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event of under subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be allocated to QIBs on a proportionate basis, subject to valid bids being received at or above the Offer Price.

Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, the BRLMs and the Designated Stock Exchange. For further details, see “Offer Procedure” and “Offer Structure” on pages 265 and 259 respectively.

QIBs (excluding Anchor Investors), Non-Institutional Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 can participate in the Offer only through the ASBA process and Retail Individual Bidders have the option to participate through the ASBA process. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders Bidding in the Non-Institutional Portion 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 until finalisation of the Basis of Allotment. 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, see “Offer Procedure” on page 265.

Our Company and the Selling Shareholder will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for this Offer. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage the Offer and procure Bids for the Offer.

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

Steps to be taken by Bidders for Bidding:

1. Check eligibility for making a Bid (see “Offer Procedure – Who Can Bid?” on page 266);
2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
3. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the State of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, for Bids of all values, ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (see “Offer Procedure” on page 265);
4. Ensure that the Bid cum Application Form is duly completed as per the instructions given in the Red Herring Prospectus and in the Bid cum Application Form;
5. Bids by QIBs (except Anchor Investors) and the Non-Institutional Bidders shall be submitted only through the ASBA process;
6. Bids by non-ASBA Bidders will have to be submitted to the Syndicate (or their authorised agents) at the Bidding centers or the Registered Brokers at the Broker Centers; and
7. Bids by ASBA Bidders will have to be submitted to the Designated Branches or to the Syndicate at the Specified Locations or the Registered Brokers at the Broker Centres in physical form. It may also be submitted in electronic form to the Designated Branches of the SCSBs only. ASBA Bidders should ensure that the ASBA Accounts have adequate credit balance at the time of submission to the SCSB or the Syndicate or the Registered Broker to ensure that the Bid cum Application Form submitted by the ASBA Bidders is not rejected and ensure that the SCSB where the ASBA Account (as specified in the Bid cum Application Form) is maintained has named at least one branch at the Specified Location or the Broker Centre for the members of the Syndicate or the Registered Broker, respectively, to deposit Bid cum Application Forms (a list of such branches is available at the website of the SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries> and updated from time to time).

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

Illustration of Book Building Process and Price Discovery Process

Investors should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at Bidding

centres during the Bidding period. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations 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 completed before filing the Prospectus with the RoC.).

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

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on certificates provided by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/ Committee of Directors, 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.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. 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 purchases for or purchase of the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

The Equity Share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORIZED SHARE CAPITAL		
	250,000,000 Equity Shares of face value of ₹10 each	2,500,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER		
	200,000,000 Equity Shares	2,000,000,000	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Offer for Sale of upto 22,000,000 Equity Shares ⁽¹⁾	220,000,000	[●]
	<i>Which includes</i>		
	Biocon Shareholders Reservation Portion upto 2,000,000 Equity Shares	20,000,000	[●]
D	SECURITIES PREMIUM ACCOUNT⁽²⁾		
	Before the Offer	868,859,312	
	After the Offer	868,859,312	
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	200,000,000 Equity Shares	2,000,000,000	

(1) The Selling Shareholder is offering upto 22,000,000 Equity Shares, pursuant to the resolution passed by its board of directors on January 22, 2015. In terms of regulation 26(6) of the SEBI ICDR Regulations, the Equity Shares offered by the Selling Shareholder in the Offer have been held by it for more than a period of one year as on the date of this Draft Red Herring Prospectus. For details in relation to allocation to various categories, see "The Offer" on page 57

(2) Excludes ₹101,250,000 being share premium recoverable from Syngene Employee Welfare Trust

Changes in the Authorised Share Capital

Set out below are the changes to the authorised share capital of our Company since our incorporation:

Date of Shareholders' Resolution	Particulars
October 28, 1993	The initial authorised share capital of ₹5,000,000 divided into 500,000 Equity Shares of face value of ₹10 each
September 26, 1997	Increased from ₹5,000,000 divided into 500,000 Equity Shares of ₹10 each to ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each
September 29, 1999	Increased from ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each to ₹30,000,000 divided into 3,000,000 Equity Shares of ₹10 each
December 21, 2000	Increased from ₹30,000,000 divided into 3,000,000 Equity Shares of ₹10 each to ₹35,000,000 divided into 3,500,000 Equity Shares of ₹10 each
December 14, 2011	Increased from ₹35,000,000 divided into 3,500,000 Equity Shares of ₹10 each to ₹250,000,000 divided into 25,000,000 Equity Shares of ₹10 each. The authorised share capital of ₹250,000,000 was divided into 50,000,000 Equity Shares of ₹5 each
October 31, 2012	Increased from ₹250,000,000 divided into 50,000,000 Equity Shares of ₹5 each to ₹300,000,000 divided into 60,000,000 Equity Shares of ₹5 each
March 16, 2015	The authorised share capital of ₹300,000,000 was consolidated to ₹300,000,000 divided into 30,000,000 Equity Shares of ₹10 each
March 16, 2015	Increased from ₹300,000,000 divided into 30,000,000 Equity Shares of ₹10 each to ₹2,500,000,000 divided into 250,000,000 Equity Shares of ₹10 each

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The history of the Equity Share capital of our Company is provided in the following table:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹in million)
May 12, 1994	4	10	10	Cash	Initial subscribers to the Memorandum of Association ⁽¹⁾	4	0.0
October 10, 1994	249,996	10	10	Cash	Preferential allotment ⁽²⁾	250,000	2.5
March 30, 1996	250,000	10	10	Cash	Preferential allotment ⁽³⁾	500,000	5.0
March 31, 1999	75,000	10	10	Cash	Preferential allotment ⁽⁴⁾	575,000	5.8
March 24, 2000	2,298,000	10	10	Cash	Preferential allotment ⁽⁵⁾	2,873,000	28.7
June 29, 2000	2,000	10	106.5	Cash	Preferential allotment ⁽⁶⁾	2,875,000	28.8
Sub Total	2,875,000						
December 14, 2011	-	5	-	-	Subdivision of the face value of the Equity Shares from ₹10 each to ₹5 each	5,750,000	28.8
February 28, 2012	41,750,000	5	-	Other than cash	Bonus issue in the ratio of 7.3 Equity Shares for every one Equity Share held in the Company ⁽⁷⁾	47,500,000	237.5
March 5, 2012	625,000	5	80	Cash	Preferential allotment ⁽⁸⁾	48,125,000	240.6
October 31, 2012	1,875,000	5	80	Cash	Preferential Allotment ⁽⁹⁾	50,000,000	250.0
February 14, 2013	2,500,000	5	300	Cash	Preferential allotment ⁽¹⁰⁾	52,500,000	262.5
February 28, 2013	1,666,667	5	300	Cash	Preferential allotment ⁽¹¹⁾	54,166,667	270.8
September 12, 2014	1,971,060	5	676.9	Cash	Rights issue ⁽¹²⁾ in the ratio of one Equity Share for every 25 Equity Shares	56,137,727	280.7
March 14, 2015	1	5	676.9	Cash	Rights issue ⁽¹³⁾ in the ratio of One Equity Share for every 165 Equity Shares	56,137,728	280.7
Sub Total	56,137,728						
March 16, 2015	-	10	-	-	Consolidation of the face value of the Equity Shares from ₹5 each to ₹10 each	28,068,864	280.7
March 27, 2015	171,931,136	10	-	Other than cash	Bonus issue in the ratio of 6.1 Equity Shares for every one Equity Share	200,000,000	2,000.0

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative Number of Equity Shares	Cumulative Paid-up Equity Share Capital (₹ in million)
					held in the Company ⁽¹⁴⁾		

- (1) 2 Equity Shares were allotted to Kiran Mazumdar Shaw and 2 Equity Shares were allotted to Kumud Sampath
- (2) 17,500 Equity Shares were allotted to J Ramachandran, 12,500 Equity Shares were allotted to Parag Saxena, 7,500 Equity Shares were allotted to Ravi Mazumdar, 12,500 Equity Shares were allotted to Dr. Anand Kumar, 12,500 Equity Shares were allotted to Suresh Subramani, 7,500 Equity Shares were allotted to Dev Mazumdar, 17,500 Equity Shares were allotted to Sune Rosell, 5,000 Equity Shares were allotted to Catherine Rosenberg, 21,250 Equity Shares were allotted to L Auchincloss, 5,000 Equity Shares were allotted to Fredric Rosenberg, 1,875 Equity Shares were allotted to Dr. Joseph Dunne, 1,875 Equity Shares were allotted to Declan McFadden, 17,500 Equity Shares were allotted to Charles Cooney, 17,500 Equity Shares were allotted to N Rajagopal, 12,498 Equity Shares were allotted to Kumud Sampath, 12,500 Equity Shares were allotted to Dr. K Prasad, 2,000 Equity Shares were allotted to Dr. Gautam Das, 40,500 Equity Shares were allotted to Biocon, 4,998 Equity Shares were allotted to Kiran Mazumdar Shaw, 5,000 Equity Shares were allotted to Dr. Arun Chandavarkar, 5,000 Equity Shares were allotted to Shrikumar Suryanarayan, 5,000 Equity Shares were allotted to Ajay Bhardwaj and 5,000 Equity Shares were allotted to KN Murali Krishnan
- (3) 12,500 Equity Shares were allotted to J Ramachandran, 12,500 Equity Shares were allotted to Parag Saxena, 7,500 Equity Shares were allotted to Ravi Mazumdar, 6,250 Equity Shares were allotted to Dr. Anand Kumar, 12,500 Equity Shares were allotted to Suresh Subramani, 17,500 Equity Shares were allotted to Sune Rosell, 5,000 Equity Shares were allotted to Catherine Rosenberg, 21,250 Equity Shares were allotted to L Auchincloss, 5,000 Equity Shares were allotted to Fredric Rosenberg, 1,875 Equity Shares were allotted to Dr. Joseph Dunne, 1,875 Equity Shares were allotted to Declan McFadden, 17,500 Equity Shares were allotted to Charles Cooney, 17,500 Equity Shares were allotted to N Rajagopal, 12,500 Equity Shares were allotted to Dr. K. Prasad, 3,000 Equity Shares were allotted to Dr. Gautam Das, 54,250 Equity Shares were allotted to Biocon, 12,500 Equity Shares were allotted to Kiran Mazumdar Shaw, 5,000 Equity Shares were allotted to Dr. Arun Chandavarkar, 5,000 Equity Shares were allotted to Shrikumar Suryanarayan, 5,000 Equity Shares were allotted to Ajay Bhardwaj, 5,000 Equity Shares were allotted to KN Murali Krishnan, 2,500 Equity Shares were allotted to Sunil Alag, 500 Equity Shares were allotted to Dr. Nita Roy, 500 Equity Shares were allotted to Dr. Sriram Padmanabhan, 500 Equity Shares were allotted to Sharmishtha Khanapur, 500 Equity Shares were allotted to Hazel Ann Brooks, 500 Equity Shares were allotted to NL Shasidhar, 500 Equity Shares were allotted to T Mohandass, 500 Equity Shares were allotted to Dr. S Ganesh, 2,500 Equity Shares were allotted to Nilima Rovshen and 500 Equity Shares were allotted to MC Srinivasan
- (4) 42,500 Equity Shares were allotted to Biocon, 13,300 Equity Shares were allotted to Kiran Mazumdar Shaw and 19,170 Equity Shares were allotted to JMM Shaw
- (5) 1,834,830 Equity Shares were allotted to Glentec International, 355,670 Equity Shares were allotted to Kiran Mazumdar Shaw, 20,000 Equity Shares were allotted to KN Murali Krishnan, 20,000 Equity Shares were allotted to Ajay Bhardwaj, 20,000 Equity Shares were allotted to Shrikumar Suryanarayan, 20,000 Equity Shares were allotted to Dr. Arun Chandavarkar, 25,000 Equity Shares were allotted to Dr. Goutam Das, 2,000 Equity Shares were allotted to Dr. S Ganesh and 500 Equity Shares were allotted to Dr. Nita Roy
- (6) allotted to Joan E Schouten
- (7) 41,747,825 Equity Shares were allotted to Biocon, 145 Equity Shares were allotted to Kiran Mazumdar Shaw, 145 Equity Shares were allotted to Dr. Arun Chandavarkar, 145 Equity Shares were allotted to KN Murali Krishnan, 145 Equity Shares were allotted to Ravi Mazumdar, 145 Equity Shares were allotted to Dev Mazumdar, 145 Equity Shares were allotted to Charles Cooney, 145 Equity Shares were allotted to Kumud Sampath, 145 Equity Shares were allotted to Ajay Bhardwaj, 145 Equity Shares were allotted to Dr. K Prasad, 145 Equity Shares were allotted to N Rajagopal, 145 Equity Shares were allotted to J Ramachandran, 145 Equity Shares were allotted to Parag Saxena, 145 Equity Shares were allotted to Dr. Anand Kumar, 145 Equity Shares were allotted to Suresh Subramani and 145 Equity Shares were allotted to Sune Rosell
- (8) Allotted to Allegro Capital Private Limited
- (9) Allotted to Syngene Employee Welfare Trust
- (10) Allotted to GE Equity International Mauritius
- (11) Allotted to GE Equity International Mauritius
- (12) Allotted to Biocon Research Limited. The other existing shareholders of our Company had declined to subscribe to the rights issue
- (13) One Equity Share was allotted to Dr. Arun Chandavarkar. The other existing shareholders of our Company had declined to subscribe to the rights issue
- (14) 145,469,080 Equity Shares were allotted to Biocon, 502 Equity Shares were allotted to Kiran Mazumdar Shaw, 515 Equity Shares were allotted to Dr. Arun Chandavarkar, 502 Equity Shares were allotted to KN Murali Krishnan, 6,064 Equity Shares were allotted to MB Chinappa, 1,323,384 Equity Shares were allotted to Allegro Capital Private Limited, 590,776 Equity Shares were allotted to DIL Limited, 5,742,500 Equity Shares were allotted to Syngene Employee Welfare Trust, 1,604,696 Equity Shares were allotted to BRL and 17,193,117 Equity Shares were allotted to IVF Trustee Company Private Limited

- (b) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
1.	September 12, 2014	1,971,060	5	676.9	Cash	Rights issue	Biocon Research

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Reason for Allotment	Allottees
							Limited*
2.	March 14, 2015	1	5	676.9	Cash	Rights Issue	Arun Chandravarkar
3.	March 27, 2015	171,931,136	10	-	Other than Cash	Bonus Issue	Equity shareholders of our Company**

*Biocon Research Limited forms part of our Promoter Group

**includes Biocon Research Limited and Kiran Mazumdar Shaw who form part of our Promoter Group

2. Issue of Shares in the last two preceding years

For details of issue of Equity Shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” on page 69.

3. Issue of Equity Shares for consideration other than cash

Except as set out below, we have not issued Equity Shares for consideration other than cash.

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company	Source out of which Bonus Shares Issued
February 28, 2012	41,750,000	5	-	Bonus issue in the ratio of 7.3 Equity Shares for every one Equity Share held in the Company ⁽¹⁾	-	Capitalisation of sum standing to the credit of our Company's profit and loss account
March 27, 2015	171,931,136	10	-	Bonus issue in the ratio of 6.1 Equity Shares for every one Equity Share held in the Company ⁽²⁾	-	Capitalisation of sum standing to the credit to the securities premium account and general reserves of our Company

(1) 41,747,825 Equity Shares were allotted to Biocon, 145 Equity Shares were allotted to Kiran Mazumdar Shaw, 145 Equity Shares were allotted to Dr. Arun Chandravarkar, 145 Equity Shares were allotted to KN Murali Krishnan, 145 Equity Shares were allotted to Ravi Mazumdar, 145 Equity Shares were allotted to Dev Mazumdar, 145 Equity Shares were allotted to Charles Cooney, 145 Equity Shares were allotted to Kumud Sampath, 145 Equity Shares were allotted to Ajay Bhardwaj, 145 Equity Shares were allotted to Dr. K Prasad, 145 Equity Shares were allotted to N Rajagopal, 145 Equity Shares were allotted to J Ramachandran, 145 Equity Shares were allotted to Parag Saxena, 145 Equity Shares were allotted to Dr. Anand Kumar, 145 Equity Shares were allotted to Suresh Subramani and 145 Equity Shares were allotted to Sune Rosell

(2) 145,469,080 Equity Shares were allotted to Biocon, 502 Equity Shares were allotted to Kiran Mazumdar Shaw, 515 Equity Shares were allotted to Dr. Arun Chandravarkar, 502 Equity Shares were allotted to KN Murali Krishnan, 6,064 Equity Shares were allotted to MB Chinappa, 1,323,384 Equity Shares were allotted to Allegro Capital Private Limited, 590,776 Equity Shares were allotted to DIL Limited, 5,742,500 Equity Shares were allotted to Syngene Employee Welfare Trust, 1,604,696 Equity Shares were allotted to BRL and 17,193,117 Equity Shares were allotted to IVF Trustee Company Private Limited

4. History of the Equity Share Capital held by our Promoter

As on the date of this Draft Red Herring Prospectus, our Promoter holds 167,217,843 Equity Shares, equivalent to 83.6% of the issued, subscribed and paid-up Equity Share capital of our Company.

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

Set forth below is the build-up of the shareholding of our Promoter since incorporation of our Company:

Date of allotment/ Transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)	Source of funds
October 10, 1994	Preferential allotment	40,500	Cash	10	10	0.1	0.1	Internal accruals
March 30, 1996	Preferential allotment	54,250	Cash	10	10	0.2	0.2	Internal accruals
March 31, 1999	Preferential allotment	42,500	Cash	10	10	0.2	0.2	Internal accruals
March 24, 2000	Transfer ⁽¹⁾	(137,250)	Cash	10	10	(0.5)	(0.5)	-
March 30, 2002	Transfer ⁽²⁾	2,874,830	Other than cash	10	-	10.2	10.2	-
Sub total (A)		2,874,830	-	-	-	-	-	-
December 14, 2011	Subdivision of the face value of the Equity Shares from ₹10 each to ₹5 each	5,749,660	-	5	-	10.2	10.2	-
February 28, 2012	Transfer ⁽³⁾	40	-	5	-	0.0	0.0	-
February 28, 2012	Bonus issue	41,747,825	Other than cash	5	-	74.4	74.4	-
March 14, 2015	Transfer ⁽⁴⁾	1	Cash	5	676.9	0.0	0.0	Internal accruals
Sub total (B)		47,497,526	-	-	-	-	-	-
March 16, 2015	Consolidation of the face value of the Equity Shares from ₹5 each to ₹10 each	23,748,763	-	10	-	11.9	11.9	-
March 27, 2015	Bonus issue	145,469,080	-	10	-	72.7	72.7	-
March 31, 2015	Transfer ⁽⁵⁾	(2,000,000)	Cash	10	0.5	(1.0)	(1.0)	-
Total		167,217,843				83.6	83.6	

(1) Transfer of 137,250 Equity Shares to Kiran Mazumdar Shaw

(2) Transfer of 12,490 Equity Shares from Kumud Sampath, 29,990 Equity Shares from Dr. Arun Chandravarkar, 29,990 Equity Shares from Shrikumar Suryanarayan, 29,990 Equity Shares from Ajay Bhardwaj, 29,990 Equity Shares from KN Murali Krishnan, 29,990 Equity Shares from Dr. Goutam Das, 24,990 Equity Shares from Dr. K. Prasad, 34,990 Equity Shares from N Rajagopal, 29,990 Equity Shares from J Ramachandran, 24,990 Equity Shares from Parag Saxena, 14,990 Equity Shares from Ravi Mazumdar, 18,740 Equity Shares from Dr. Anand Kumar, 24,990 Equity Shares from Suresh Subramani, 7,490 Equity Shares from Dev Mazumdar, 34,990 Equity Shares from Sunne Rosell, 10,000 Equity Shares from Catherine Rosenberg, 42,500 Equity Shares from L. Auchincloss, 10,000 Equity Shares from Frederick Rosenberg, 3,750 Equity Shares from Joseph Dunne, 3,750 Equity Shares from Declan Mcfadden, 34,990 Equity Shares from Charles Cooney, 1,000 Equity Shares from Dr. Nita Roy, 500 Equity Shares from NL Shashidhara, 2,500 Equity Shares from Dr. S Ganesh, 2,500 Equity Shares from Nilima Rovshen, 500 Equity Shares from MC Srinivasan, 2,500 Equity Shares from Sunil Kumar Alagh and Maya Alagh, 19,170 Equity Shares from JMM Shaw, 13,700 Equity Shares from ICICI Trusteeship Services Limited, 2,000 Equity Shares from Joan E Schouten, 512,040 Equity Shares from Kiran Mazumdar Shaw, 1,561,030 Equity Shares from Glentec International and 273,800 Equity Shares from TCW / ICICI India Private Equity Amp Fund LLC. The Equity Shares were acquired for a total consideration of ₹83.91 million by issuing 202,780 equity shares of the face value of ₹10 each of Biocon at a premium of ₹403.79 per equity share

(3) Transfer of 20 Equity Shares from Shrikumar Suryanarayan and 20 Equity Shares from Dr. Goutam Das to our Promoter. These transferees have transferred the Equity Shares without consideration and have relinquished all rights and interests in relation to such Equity Shares

(4) Transfer of one Equity Share from Kiran Mazumdar Shaw

(5) Transfer of 2,000,000 Equity Shares to Biocon Limited Employee Welfare Trust for the purpose of an employee stock option scheme for the benefit of the senior level employees of our Promoter and its associate / subsidiary companies excluding the employees of our Company

All the Equity Shares held by our Promoter was fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoter has confirmed to our Company and the BRLMs that the Equity Shares held by our Promoter which shall be locked-in for a period of three years as Promoters' contribution have been financed from their internal accruals and no loans or financial assistance from

any bank or financial institution has been availed by them for this purpose. Further, our Promoter has not pledged any of the Equity Shares that they hold in our Company.

(b) *Details of Promoters' contribution and lock-in:*

- (i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoter, except for the Equity Shares offered under the Offer for Sale, shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.
- (ii) As on the date of this Draft Red Herring Prospectus, our Promoter, Biocon holds 167,217,843 Equity Shares, out of which upto 22,000,000 Equity Shares held by our Promoter will be offered under the Offer for Sale. Accordingly, the remaining Equity Shares held by Biocon are eligible for promoters' contribution.
- (iii) Details of the Equity Shares to be locked-in for three years which are eligible for Promoter's contribution are as follows:

Date of allotment of the securities	Date of Transaction and when made fully paid-up	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of the pre and post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
February 28, 2012	February 28, 2012	Bonus issue	1,748,762	5	-	1,748,762	0.4	
Sub total (A)			1,748,762					
March 16, 2015		Consolidation of the face value of the Equity Shares from ₹5 each to ₹10 each	874,381	10	-	874,381	0.4	[•]
March 27, 2015	March 27, 2015	Bonus issue	145,469,080	10	-	39,125,619	19.6	[•]
Total						40,000,000	20.0	

- (iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- (v) In terms of Regulation 37 of the SEBI ICDR Regulations, our entire pre-Offer equity share capital held by persons including the Promoter will be locked-in for a period of one year from the date of Allotment in this Offer except for the Promoters' contribution as specified in clause 3(b)(iii) above shall be locked in for a period of three years from the date of Allotment in this Offer.

(c) *Other lock-in requirements:*

1. In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoter and locked in for a period of 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 (i) the Equity Shares offered pursuant to the Offer for Sale; and (ii) 6,680,000 Equity Shares currently held by the Syngene Employee Welfare Trust. Additionally, any unsubscribed portion of the Offer for Sale being offered by the Selling

Shareholder would also be locked-in for one year from the date of Allotment.

2. The 6,680,000 Equity Shares held by Syngene Employee Welfare Trust can be transferred to our employees upon exercise of vested Options and those transferred Equity Shares will not be subject to any lock-in.
3. The Equity Shares held by our Promoter which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
4. The Equity Shares held by persons other than our Promoter 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 the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
5. 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.

6. Build up of Selling Shareholder's shareholding in our Company

As on the date of this Draft Red Herring Prospectus, the Selling Shareholder holds 167,217,843 Equity Shares, constituting 83.6% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build up of the Selling Shareholder's shareholding in our Company, see "Capital Structure – History of the Equity Share Capital held by our Promoter" on page 71.

7. Shareholding Pattern of our Company

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

Category code	Category of Shareholder	Pre-Offer						Post-Offer*				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+D)				As a % of (A + B)	As a % of (A + B + C+D)	
(A)	Promoter and Promoter Group*											
(1)	Indian											
(a)	Individuals/Hindu Undivided Family	1	7,638	7,638	0.0	0.0	-	7,638	7,638	0.0	0.0	-
(b)	Central Government / State Government (s)	-	-	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	2	169,084,516	169,084,516	87.5	84.5	-	147,084,516	147,084,516	76.1	73.5	-
(d)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)											
(i)	Trusts	1	2,000,000	-	1.0	1.0	-	2,000,000	-	1.0	1.0	-
	Sub-Total (A)(1)	4	171,092,154	169,092,154	88.5	85.5	-	149,092,154	147,092,154	77.1	74.5	-
(2)	Foreign											
(a)	Individuals (Non-Resident)	-	-	-	-	-	-	-	-	-	-	-

Category code	Category of Shareholder	Pre-Offer						Post-Offer*				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+D)				As a % of (A + B)	As a % of (A + B + C+D)	
	Individuals/ Foreign Individuals)											
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	171,092,154	169,092,154	88.5	85.5	-	149,092,154	147,092,154	77.1	74.5	-
(B)	Public shareholding											
(I)	Institutions							44,227,846	44,227,247	22.9	22.1	-
(a)	Mutual Funds/ UTI	-	-	-	-	-	-					
(b)	Financial Institutions/ Banks	-	-	-	-	-	-					
(c)	Central Government / State Government (s)	-	-	-	-	-	-					
(d)	Venture Capital Funds	-	-	-	-	-	-					
(e)	Insurance Companies	-	-	-	-	-	-					
(f)	Foreign Institutional Investors	-	-	-	-	-	-					
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-					
(h)	Any Other (specify)	-	-	-	-	-	-					
(i)	Foreign Corporate Body	1	20,000,000	20,000,000	10.3	10.0	-					
	Sub-Total (B)(1)	1	20,000,000	20,000,000	10.3	10.0	-					
(2)	Non-institutions											
(a)	Bodies Corporate	2	1,250,113	1,250,113	0.6	0.6	-					
(b)	Individuals											
(i)	Individual Shareholders holding nominal share capital up to ₹1 lakh.	2	1,187	588	0.0	0.0	-					
(ii)	Individual Shareholders holding nominal share capital in excess of	2	976,546	976,546	0.5	0.5	-					

Category code	Category of Shareholder	Pre-Offer						Post-Offer*				
		Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered
					As a % of (A + B)	As a % of (A + B + C+D)				As a % of (A + B)	As a % of (A + B + C+D)	
	₹1 lakh.											
(c)	Any Other (specify)	-	-	-	-	-	-					
	Directors & their Relatives & Friends	-	-	-	-	-	-					
	Sub-Total (B)(2)	6	2,227,846	2,227,247	1.2	1.1	-					
	Total Public Shareholding (B)=(B)(1)+(B)(2)	9	22,227,846	22,227,247	11.5	11.1	-	44,227,846	44,227,247	22.9	22.1	-
	TOTAL (A)+(B)	11	193,320,000	191,319,401	100.00	96.7	-	44,227,846	44,227,247	22.9	22.1	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued											
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-	-	-	-	-
(D)	Non Promoter and Non Public (D)	1	6,680,000	6,680,000	-	3.3	-	6,680,000	6,680,000	-	3.3	-
	TOTAL (A)+(B)+(C)+(D)	12	200,000,000	197,999,401	100.0	100.0	-	200,000,000	197,999,401	100.0	100.0	-

*Assuming full subscription in the Offer

8. The details of the shareholding of our Promoter and the members of the Promoter Group as on the date of filing of this Draft Red Herring Prospectus:

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Offer Capital
Promoter		
Biocon Limited	167,217,843	83.6
Total Holding of the Promoter (A)	167,217,843	83.6
Promoter Group		
Biocon Limited Employee Welfare Trust	2,000,000	1.0
Biocon Research Limited	1,866,673	0.9
Kiran Mazumdar Shaw*	7,638	0.0
Total holding of the Promoter Group (other than Promoter) (B)	3,874,311	1.9
Total Holding of Promoter and Promoter Group (A+B)	171,092,514	85.5

*Less than or equal to 0.01%

9. The list of public Shareholders holding more than 1% of the pre-Offer paid up capital of our Company as on the date of filing of this Draft Red Herring Prospectus is as follows:

Sl. No.	Name of the Shareholder	Pre-Offer		Post-Offer	
		No. of Equity Shares	Percentage (%)	No. of Equity Shares	Percentage (%)
1.	Silver Leaf Oak (Mauritius) Limited	20,000,000	10.0	10.0	10.0
	Total	20,000,000	10.0	10.0	10.0

10. The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior the date of filing of this Draft Red Herring Prospectus are set forth below:

- (a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Biocon Limited	167,217,843	83.6
2.	Silver Leaf Oak (Mauritius) Limited	20,000,000	10.0
3.	Syngene Employee Welfare Trust	6,680,000	3.3
4.	Biocon Limited Employee Welfare Trust	2,000,000	1.0
5.	Biocon Research Limited	1,866,673	0.9
6.	Kunal Kashyap	951,546	0.5
7.	DIL Limited	687,224	0.3
8.	Allegro Capital Private Limited	562,889	0.3
9.	Suresh N Talwar jointly with Laju S Talwar*	25,000	0.0
10.	Kiran Mazumdar Shaw*	7,638	0.0
	Total	199,998,813	99.9

*Less than or equal to 0.01%

- (b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	Biocon Limited	167,217,843	83.6
2.	IVF Trustee Company Private Limited	20,000,004	10.0
3.	Syngene Employee Welfare Trust	6,680,000	3.3
4.	Biocon Limited Employee Welfare Trust	2,000,000	1.0
5.	Biocon Research Limited	1,866,673	0.9
6.	Allegro Capital Private Limited	1,514,435	0.8
7.	DIL Limited	687,224	0.3
8.	Suresh N Talwar jointly with Laju S Talwar*	25,000	0.0
9.	Kiran Mazumdar Shaw*	7,638	0.0
10.	Arun Chandravarkar*	599	0.0
	Total	199,999,416	99.9

*Less than or equal to 0.01%

- (c) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares*	Percentage (%)
1.	Biocon Limited	47,497,525	87.7
2.	GE Equity International Mauritius	4,166,667	7.7
3.	Syngene Employee Welfare Trust	1,875,000	3.5
4.	Allegro Capital Private Limited	625,000	1.1
5.	MB Chinappa**	1,815	0.0
6.	Arun Chandravarkar**	165	0.0
7.	Dev Mazumdar**	165	0.0
8.	Kiran Mazumdar Shaw**	165	0.0
9.	Murali Krishnan KN**	165	0.0
	Total	54,166,667	100.0

* Equity shares of face value ₹5 each

** Less than 0.01%

11. Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoter and Promoter Group

- (i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Kiran Mazumdar Shaw*	7,638	0.0	0.0

* Less than or equal to 0.01%

- (ii) Set out below are details of the Equity Shares held by our Key Management Personnel in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Kiran Mazumdar Shaw*	7,638	0.00	0.00

* Less than 0.01%

Except as stated above, none of the Key Management Personnel hold any Equity Shares as of the date of this Draft Red Herring Prospectus. However, the following Key Management Personnel have been granted options under the ESOP 2011. These options have not been exercised as of the date of this Draft Red Herring Prospectus:

Sl. No.	Name of the Key Management Personnel	No. of Options Granted
1.	Manoj Nerurkar	540,812
2.	MB Chinappa	540,812
3.	Jegadeesh Thampi	94,054
4.	Dhananjay Patankar	71,609
5.	Anita Chugh	58,427
6.	Purushottam Singnurkar	45,602
7.	Mayank Verma	9,619

- (iii) Except as stated below, none of the directors of Biocon or our Promoter Group hold any Equity Shares in our Company.

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	Biocon Limited Employee Welfare Trust	2,000,000	1.0	1.0

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
2.	Biocon Research Limited	1,866,673	0.9	0.9
3.	Suresh N Talwar jointly with Laju S Talwar	25,000	0.0	0.0
4.	Kiran Mazumdar Shaw*	7,638	0.0	0.0
5.	Arun Chandravarkar*	599	0.0	0.0

*Less than 0.01%

12. As on the date of this Draft Red Herring Prospectus, the BRLMs and their respective associates do not hold any Equity Shares in our Company.
13. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956.
14. Except as disclosed in this section, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
15. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoter to the persons who receive Allotments.
16. Our Company, pursuant to resolutions passed by our Board and our Shareholders resolutions dated October 19, 2011 and December 14, 2011 respectively, has adopted ESOP 2011. Pursuant to ESOP 2011, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2011) including permanent employees and directors (whether wholtime or not but excluding nominee directors) of our Promoter (being a holding company) and our Company except any employee who is a Promoter and/or belongs to the Promoter Group, or a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares. The aggregate number of Equity Shares, which may be issued under ESOP 2011, shall not exceed 6,680,000 Equity Shares.

Our Company, being an unlisted company, is not required to be compliant with SEBI ESOP Regulations. ESOP 2011 is compliant with the SEBI ESOP Regulations, except to the extent of:

- (i) Currently, the trustees of the Syngene International Limited Employees Welfare Trust (“**Syngene Trust**”) fall within the categories of persons who are prohibited from acting as trustees of trusts implementing employee stock option schemes, as per Regulation 3(4) of the SEBI ESOP Regulations, since they hold the position of directors and KMPs of the Company.
- (ii) ESOP 2011 does not specifically exclude independent directors from the definition of employee to whom options may be granted under ESOP 2011, as provided under Regulation 2(1)(f)(ii) of the SEBI ESOP Regulations.
- (iii) Specific approval of the shareholders of the Company was not obtained for implementation of ESOP 2011 through a trust, as provided under the proviso to Regulation 3(1) of the SEBI ESOP Regulations.
- (iv) As per the second proviso to Regulation 5(1) of the SEBI ESOP Regulations, companies are required to implement the ESOP schemes through a compensation committee or through a trust, as the case maybe. ESOP 2011 provides the power to the committee implementing the scheme to delegate the administration of awards to one or more officers or managers of the Company.
- (v) The trust deed dated July 20, 2012 pursuant to which the Syngene Trust has been constituted, permits the Syngene Trust to swap the shares of the Company held by it

with the shares of another legal entity, while Regulation 3(14) of the SEBI ESOP Regulations prohibits off market transfers of shares, except in certain circumstances.

ESOP 2011 shall be brought in compliance with the SEBI ESOP Regulations prior to listing of Equity Shares of the Company, pursuant to the Offer.

Particulars	Details																																
Options granted	5,240,929 comprising of 5,028,246 options granted in October 2013 (“Grant 1”) and 212,683 options granted in October 2014 (“Grant 2”). Each Option entitles the holder to purchase one Equity Share at a price of ₹22.50 per Equity Share. The number of options and the exercise price per option has been adjusted for consolidation of shares and the bonus issue in March 2015																																
Pricing formula	The options were all granted at an exercise price of ₹22.50 per share*, being the price at which the Syngene Employee Welfare Trust acquired the shares in 2012. The value of the benefit to the employee (total fair value of the underlying shares as on the date of the grant less total exercise price of the options) is determined as a percentage of the annual compensation paid to the employee, based on his/ her performance evaluation in the two years prior to the date of the grant. The number of options granted to each eligible employee is determined by the dividing the value of the benefit to the employee by the fair value of each option as on the date of the grant (fair value per share less exercise price (₹22.5)*)																																
Vesting period	25% of the options granted shall vest at the end of 2 years from the grant date, 35% of the options granted shall vest at the end of 3 years from the grant date and the balance 40% of the options granted shall vest at the end of 4 years from the grant date																																
Options vested	Nil																																
Options exercised	Nil																																
The total number of Equity Shares arising as a result of exercise of options	Nil																																
Options lapsed*	183,829 (Grant 1 - 183,829; Grant 2 – Nil)																																
Variation of terms of options	Nil																																
Money realized by exercise of options	Nil																																
Total number of options in force	5,057,100 (Grant 1 – 4,844,417; Grant 2 – 212,683)																																
Employee-wise detail of options granted to																																	
(i) Senior managerial personnel	<table><tr><th>Sl. No.</th><th>Name of employee</th><th>Grant</th><th>No. of Options Granted*</th></tr><tr><td>1.</td><td>Manoj Nerurkar</td><td>1</td><td>540,812</td></tr><tr><td>2.</td><td>MB Chinappa</td><td>1</td><td>540,812</td></tr><tr><td>3.</td><td>Dhananjay Patankar</td><td>1</td><td>71,609</td></tr><tr><td>4.</td><td>Anita Chugh</td><td>1</td><td>58,427</td></tr><tr><td>5.</td><td>Jegadeesh Thampi</td><td>1</td><td>94,054</td></tr><tr><td>6.</td><td>Purushottam Singnurkar</td><td>2</td><td>45,602</td></tr><tr><td>7.</td><td>Mayank Verma</td><td>2</td><td>9,619</td></tr></table>	Sl. No.	Name of employee	Grant	No. of Options Granted*	1.	Manoj Nerurkar	1	540,812	2.	MB Chinappa	1	540,812	3.	Dhananjay Patankar	1	71,609	4.	Anita Chugh	1	58,427	5.	Jegadeesh Thampi	1	94,054	6.	Purushottam Singnurkar	2	45,602	7.	Mayank Verma	2	9,619
Sl. No.	Name of employee	Grant	No. of Options Granted*																														
1.	Manoj Nerurkar	1	540,812																														
2.	MB Chinappa	1	540,812																														
3.	Dhananjay Patankar	1	71,609																														
4.	Anita Chugh	1	58,427																														
5.	Jegadeesh Thampi	1	94,054																														
6.	Purushottam Singnurkar	2	45,602																														
7.	Mayank Verma	2	9,619																														
(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	<p>Grant For nine month period ended December 31, 2014:</p> <table><tr><th>Sl. No.</th><th>Name of employee</th><th>Grant</th><th>No. of Options Granted*</th></tr><tr><td>1.</td><td>R Vidhyashankar</td><td>2</td><td>24,582</td></tr><tr><td>2.</td><td>M Hanuman</td><td>2</td><td>16,744</td></tr><tr><td>3.</td><td>Dola Mukherjee</td><td>2</td><td>34,201</td></tr><tr><td>4.</td><td>DR Badrinath</td><td>2</td><td>17,457</td></tr></table> <p>For Financial Year 2014: Nil</p> <p>For Financial Year 2013: Nil</p>	Sl. No.	Name of employee	Grant	No. of Options Granted*	1.	R Vidhyashankar	2	24,582	2.	M Hanuman	2	16,744	3.	Dola Mukherjee	2	34,201	4.	DR Badrinath	2	17,457												
Sl. No.	Name of employee	Grant	No. of Options Granted*																														
1.	R Vidhyashankar	2	24,582																														
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3.	Dola Mukherjee	2	34,201																														
4.	DR Badrinath	2	17,457																														

Particulars	Details																																		
	For Financial Year 2012: Nil																																		
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil																																		
Fully diluted Earnings per Equity Share – (face value ₹10 per Equity Share)* pursuant to options outstanding in accordance with the relevant accounting standard based on intrinsic value as per Company's account policy	<table> <tr> <th>For the nine months ended December 31, 2014</th><th>For the Financial Year ended March 31, 2014</th></tr> <tr> <td>6.10</td><td>6.99</td></tr> </table>	For the nine months ended December 31, 2014	For the Financial Year ended March 31, 2014	6.10	6.99																														
For the nine months ended December 31, 2014	For the Financial Year ended March 31, 2014																																		
6.10	6.99																																		
Lock-in	Nil																																		
Impact on profit and Earnings per Equity Share – (face value ₹10 per Equity Share)* of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed	Our Company has followed the accounting policies prescribed in the SEBI ESOP Regulations.																																		
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 ₹10 per Equity Share)*	<p>The Company follows the intrinsic value method for employee stock option accounting. The difference between the 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 on profits and on the Earnings per Equity Share – (face value ₹10 per Equity Share)* is provided below :</p> <p>For nine month period ended December 31, 2014:</p> <table> <tr> <th>Particulars</th><th>Amount (in ₹million)</th></tr> <tr> <td>Restated Profit for the period</td><td>1,194</td></tr> <tr> <td>Add: Employee stock compensation under intrinsic value</td><td>39</td></tr> <tr> <td>Less: Employee stock compensation under fair value</td><td>62</td></tr> <tr> <td>Proforma Restated Profit for the period/</td><td>1,171</td></tr> <tr> <td>Earnings per Equity Share – Basic (face value ₹10 per Equity Share)*</td><td></td></tr> <tr> <td>- As reported (in ₹)</td><td>6.31</td></tr> <tr> <td>- Proforma (in ₹)</td><td>6.19</td></tr> <tr> <td>Earnings per Equity Share – Diluted (face value ₹10 per Equity Share)*</td><td></td></tr> <tr> <td>- As reported (in ₹)</td><td>6.10</td></tr> <tr> <td>- Proforma (in ₹)</td><td>5.98</td></tr> </table> <p>For Financial Year 2014:</p> <table> <tr> <th>Particulars</th><th>Amount (in ₹million)</th></tr> <tr> <td>Restated Profit for the year</td><td>1,348</td></tr> <tr> <td>Add: Employee stock compensation under intrinsic value</td><td>56</td></tr> <tr> <td>Less: Employee stock compensation under fair value</td><td>49</td></tr> <tr> <td>Proforma Restated Profit for the year</td><td>1,355</td></tr> <tr> <td>Earnings per Equity Share – Basic(face</td><td></td></tr> </table>	Particulars	Amount (in ₹million)	Restated Profit for the period	1,194	Add: Employee stock compensation under intrinsic value	39	Less: Employee stock compensation under fair value	62	Proforma Restated Profit for the period/	1,171	Earnings per Equity Share – Basic (face value ₹10 per Equity Share)*		- As reported (in ₹)	6.31	- Proforma (in ₹)	6.19	Earnings per Equity Share – Diluted (face value ₹10 per Equity Share)*		- As reported (in ₹)	6.10	- Proforma (in ₹)	5.98	Particulars	Amount (in ₹million)	Restated Profit for the year	1,348	Add: Employee stock compensation under intrinsic value	56	Less: Employee stock compensation under fair value	49	Proforma Restated Profit for the year	1,355	Earnings per Equity Share – Basic(face	
Particulars	Amount (in ₹million)																																		
Restated Profit for the period	1,194																																		
Add: Employee stock compensation under intrinsic value	39																																		
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Earnings per Equity Share – Basic(face																																			

Particulars	Details												
	value ₹10 per Equity Share)*												
	- As reported (in ₹)	7.24											
	- Proforma (in ₹)	7.28											
	Earnings per Equity Share – Diluted (face value ₹10 per Equity Share)*												
	- As reported (in ₹)	6.99											
	- Proforma (in ₹)	7.02											
	For Financial Year 2013: Nil												
	For Financial Year 2012: Nil												
	Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	The weighted average exercise price, fair value and intrinsic value for the options outstanding are as follows:											
	<table><tr><th></th><th>Options granted in financial year 2014 (Grant I)</th><th>Options granted in the Nine month period ended Dec 31, 2014 (Grant II)</th></tr><tr><td>Weighted average Intrinsic value (in ₹)* as on date of grant</td><td>46.03</td><td>117.89</td></tr><tr><td>Weighted average Exercise Price (in ₹)* as on date of grant</td><td>22.5</td><td>22.5</td></tr><tr><td>Weighted average Fair value (in ₹)* as on date of grant</td><td>53.89</td><td>126.31</td></tr></table>		Options granted in financial year 2014 (Grant I)	Options granted in the Nine month period ended Dec 31, 2014 (Grant II)	Weighted average Intrinsic value (in ₹)* as on date of grant	46.03	117.89	Weighted average Exercise Price (in ₹)* as on date of grant	22.5	22.5	Weighted average Fair value (in ₹)* as on date of grant	53.89	126.31
	Options granted in financial year 2014 (Grant I)	Options granted in the Nine month period ended Dec 31, 2014 (Grant II)											
Weighted average Intrinsic value (in ₹)* as on date of grant	46.03	117.89											
Weighted average Exercise Price (in ₹)* as on date of grant	22.5	22.5											
Weighted average Fair value (in ₹)* as on date of grant	53.89	126.31											
For Financial Year 2013: Nil													
For Financial Year 2012: Nil													
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Our Company follows the intrinsic method for employee stock option accounting. For estimating the fair value, of the options our Company has adopted the Black Scholes method with the following assumptions: For the nine month period ended December 31, 2014: Dividend Yield (%) - Fair Market Value of share at the time of Grant (in ₹)* 126.3 Expected Volatility 50.4% - 53.3% Expected Life of the options granted (vesting and exercise period) in years 6.15 Average risk free interest rate 8.57% - 8.59% For Financial Year 2014: Dividend Yield (%) - Fair Market Value of share at the time of Grant (in ₹)* 53.9 Expected Volatility 40.9% - 47.6% Expected Life of the options granted (vesting and exercise period) in years 6.15 Average risk free interest rate 8.7% - 8.8% For Financial Year 2013: Nil												

Particulars	Details
	For Financial Year 2012: Nil
Intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer	There is no intention of the holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer
Intention to sell Equity Shares arising out of the ESOP 2011 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2011 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions), which interalia shall include name, designation and quantum of the equity shares issued under the ESOP 2011 and the quantum they intend to sell within 3 months.	There is no intention to sell Equity Shares arising out of the ESOP 2011 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2011 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)

**Adjusted for consolidation of face value of equity shares from ₹5 each to ₹10 each and the bonus Equity Shares issued on March 27, 2015*

17. On January 22, 2015, Biocon had approved the earmarking of 2,000,000 Equity Shares to Biocon Limited Employee Welfare Trust for the purpose of an employee stock option scheme for the benefit of the senior level employees of our Promoter and its specified associate / subsidiary companies excluding the employees of our Company. Subsequently on March 31, 2015, our Company approved the transfer of the Equity Shares from Biocon to Biocon Limited Employee Welfare Trust. Biocon shall undertake all necessary corporate actions under applicable law for implementation of such scheme.
18. Except for the following transfers, none of the members of our Promoter Group, our Promoter, directors of our Promoter, or our Directors and their immediate relatives have purchased or sold any securities of the Company during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI:

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Shares (₹) unless otherwise stated	Aggregate Consideration (in ₹) unless otherwise stated	Percentage (%) of the pre-Offer capital
Biocon Research Limited	IVF Trustee Company Private Limited	January 12, 2015	5,613,773*	676.9	3,800,000,000	10.0
Kiran Mazumdar Shaw	Biocon Limited	March 14, 2015	1*	676.9	676.9	0.0
Biocon Limited	Biocon Limited Employee Welfare Trust	March 31, 2015	2,000,000	0.5	1,000,000	1.0
MB Chinappa	Kiran Mazumdar Shaw**	April 9, 2015	7,054	10.0	70,540	0.0
Allegro Capital	Suresh N Talwar	April 9, 2015	25,000	190.0	4,750,000	0.0

Name of the Transferor	Name of the Transferee	Date of Transfer	Number of Equity Shares	Price per Equity Shares (₹) unless otherwise stated	Aggregate Consideration (in ₹) unless otherwise stated	Percentage (%) of the pre-Offer capital
Private Limited	jointly with Laju S Talwar**					

*Equity shares of face value of ₹5 each

**Less than or equal to 0.01%

19. Except as provided below, none of the Promoter, the members of the Promoter Group or the Directors has purchased/subscribed/sold any Equity Shares within three years immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI which in aggregate is equal to or greater than 1% of the pre-Offer capital of our Company:

Name of the person	Category	Date of Issue / Acquisition / Transfer	Number of Equity Shares	Price per Equity Share (₹)	Reasons
Biocon Research Limited	Promoter Group	September 10, 2014	4,166,667*	516.9	Acquisition from GE Equity International Mauritius
Biocon Research Limited	Promoter Group	January 12, 2015	5,613,773*	676.9	Transfer to IVF Trustee Company Private Limited
Biocon Limited	Promoter	March 27, 2015	145,469,080	-	Bonus issue in the ratio of 6.1 Equity Shares for every one Equity Share held in the Company
Biocon Limited	Promoter	March 31, 2015	2,000,000	0.5	Transfer to Biocon Limited Employee Welfare Trust
Biocon Limited Employee Welfare Trust	Promoter Group	March 31, 2015	2,000,000	0.5	Acquisition from Biocon Limited

*Equity shares of face value of ₹5 each

20. Our Company has not issued any Equity Shares out of revaluation reserves since our incorporation.
21. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 12.
22. Except for CL Cooney, PF Blackburn, JRF Walls, Bala S Manian, Mary Harney and Vijay Kumar Kuchroo who have agreed to purchase 25,000 Equity Shares each from Silver Leaf Oak (Mauritius) Limited, neither our Company nor our Directors nor the directors of our Promoter have entered into any buy-back and/ or standby arrangements for purchase of Equity Shares from any person. Further, the BRLMs have not made any buy-back and/ or standby arrangements for purchase of Equity Shares from any person.
23. All Equity Shares issued pursuant to the Offer shall be fully paid up at the time of transfer and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.

24. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
25. Our Promoter and Promoter Group will not participate in the Offer.
26. There have been no financing arrangements whereby our Promoter Group, our Directors, the directors of Biocon 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.
27. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/ Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
28. In terms of Rule 19(2)(b)(iii) of the SCRR, this is a Net Offer for atleast 10% of the post Offer capital of our Company. The Offer is being made under Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Net Offer shall be Allotted on a proportionate basis to QIBs. Our Company may, in consultation with the Selling Shareholder and BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All QIBs (except Anchor Investors), Non-Institutional Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 are mandatorily required to utilise the ASBA process to participate in this Offer.
29. Under-subscription, if any, in any category including the Biocon Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the Biocon Shareholders Reservation Portion shall be added back to the Net Offer to the public portion. In case of under-subscription in the Net Offer to the public portion, spill-over to the extent of under-subscription shall be permitted from the Biocon Shareholders Reservation Portion.
30. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
31. Our Company shall ensure that transactions in the Equity Shares by our Promoter and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
32. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the Directors, the Promoter, members of our Promoter Group

and Group Entities, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

33. 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 objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of 22,000,000 Equity Shares by the Selling Shareholder. Further, our Company expects that the listing of the Equity Shares will enhance our visibility and brand image among our existing and potential clients and provide liquidity to the existing shareholders. Our Company will not receive any proceeds of the Offer and all the proceeds will go to the Selling Shareholder.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, underwriting and management fees, printing and distribution expenses, advertisement expenses and legal fees, as applicable. The estimated Offer expenses are as follows:

(₹in million)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the Book Running Lead Managers	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar	[●]	[●]	[●]
Underwriting commission, fees payable to the Bankers to the Offer, brokerage and selling commission, as applicable**	[●]	[●]	[●]
Brokerage and selling commission payable to Registered Brokers**	[●]	[●]	[●]
Processing fees to SCSBs for ASBA Applications procured by the members of the Syndicate or Registered Brokers and submitted with the SCSBs**	[●]	[●]	[●]
Others (listing fees, legal fees, etc.)	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

*Will be incorporated at the time of filing of the Prospectus.

** Disclosure of commission and processing fees will be incorporated at the time of filing the Red Herring Prospectus.

All expenses with respect to the Offer will be borne by the Selling Shareholder.

Monitoring of Utilization of Funds

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

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder 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 ₹10 each and the Offer Price is [●] times the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. Investors should also refer to “Our Business” and “Risk Factors” on pages 115 and 16, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are:

- A. World-class infrastructure, systems and processes that comply with quality standards to serve international markets and successful audits by regulatory authorities such as the FDA and EMA;
- B. Talented and qualified pool of scientists and an experienced management;
- C. Integrated service offerings across multiple domains with a proven track-record of successful delivery, reliability, cost efficiency and client satisfaction;
- D. Attractive and diversified client base with several client collaborations;
- E. Commitment to protection of our clients’ intellectual property and data confidentiality; and
- F. Financial stability and stable cash flows

For further details, see “Our Business – Strengths” on page 116.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Financial Statements prepared in accordance with the Companies Act, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

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

I. Basic and Diluted Earnings Per Share (“EPS”) (Face value of ₹10 each), as adjusted for change in capital:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2014	7.24	6.99	3
March 31, 2013	5.90	5.81	2
March 31, 2012	4.19	4.19	1
Weighted Average	6.29	6.13	
For the nine-month period ended December 31, 2014*	6.31	6.10	

*not annualized

(a) Basic Earnings per share (₹) = Net profit after tax (as restated) attributable to equity shareholders/ Weighted average number of equity shares outstanding during the period/year

(b) Diluted Earnings per share (₹) = Net profit after tax (as restated)/ Weighted average number of diluted equity shares outstanding during the period/year

(c) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year. Further, shares allotted to the ESOP Trust pursuant to the employee share based payment plan is not included in the shares outstanding till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions

(d) All share data has been adjusted for events of bonus issue and share consolidation –

- The shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on December 14, 2011, approved the sub-division of equity shares of face value of ₹10 each into 2 equity shares of ₹5. The Company issued fully paid bonus shares in the ratio of 1:7.3 on February 28, 2012 by capitalization of surplus in the statement of Profit and Loss, pursuant to the approval of the shareholders of the Company at the EGM held on December 14, 2011
- The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of ₹5 each into 1 equity share of face value of ₹10 each. The Company issued fully paid bonus shares in the ratio of 1:6.1 on March 27, 2015 by capitalisation of securities premium account and general reserves, pursuant to the approval of the shareholders of the Company at the EGM held on March 16, 2015

(e) EPS calculations have been done in accordance with Accounting Standard 20 - "Earning per share" notified under the Companies (Accounting Standards) Rules, 2006

(f) The face value of each Equity Share is ₹10.

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

Particulars	P/E at the lower end of the Price Band (no. of times)	P/E at the higher end of the Price Band (no. of times)
Based on basic EPS for the year/ period ended [●]	[●]	[●]
Based on diluted EPS for the year/ period ended [●]	[●]	[●]

III. Industry P/E ratio

Not Applicable - There are no listed entities similar to our line of business and comparable to our scale of operations.

IV. Return on Net Worth ("RoNW")

Financial Year ended / Period ended	RoNW (%)	Weight
March 31, 2014	20.5	3
March 31, 2013	19.7	2
March 31, 2012	23.9	1
Weighted Average	20.8	
For the nine-month period ended December 31, 2014*	15.2	

*not annualized

Return on net worth (%) = Net Profit after tax as restated / Net worth at the end of the period/ year.

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer for Sale by the Selling Shareholder.

V. Net Asset Value per Equity Share (Face value of ₹10 each)

Financial Year ended/ Period ended	(₹)
As on March 31, 2014	35.4
As on December 31, 2014	40.7
Offer price	[●]
After the Offer*	-

Net asset value per Equity Share represents (Net worth at the end of the period/year)/(Total number of equity shares outstanding at the end of the period/ year)

Total number of equity shares outstanding at the end of the period/year for the ratio does not include shares allotted to the ESOP Trust.

*There will be no change in the Net Asset Value post-Offer, as the Offer is by way of Offer for Sale by the Selling Shareholder.

VI. Comparison with Listed Industry Peers

There are no listed entities similar to our line of business and comparable to our scale of operations.

VII. 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 Shareholder, in consultation with the BRLMs, on the basis of demand from investors for Equity Shares through the Book Building Process and, is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors” and “Financial Statements” on pages 16 and 175, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in the “Risk Factors” and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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

April 1, 2015

To
The Board of Directors
Syngene International Limited
Biocon Park, Plot 2&3,
Bommasandra Industrial Area- Phase-IV,
Bommasandra – Jigani Link Road,
Bangalore - 560 099,
India.

Dear Sirs,

We hereby confirm that the enclosed Annexure, prepared by Syngene International Limited ('the Company') states the possible special and general tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ('Act'), the Wealth Tax Act, 1957 and the Gift Tax Act, 1958, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the above mentioned Acts. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure are not exhaustive and preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence 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 offer for sale.

Our confirmation is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

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

For S. R. Batliboi & Associates LLP
ICAI firm registration number: 101049W
Chartered Accountants

per Aditya Vikram Bhauwala
Partner
Membership no. 208382

Place: Bengaluru
Date: April 1, 2015

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

Outlined below are the possible benefits available to the Company and its shareholders under the current direct tax laws in India.

A. Benefits to the Company under the Act

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

1. Special tax benefits

The following specific tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the Act.

Profits and Gains derived out of exports by Unit set up in a Special Economic Zone

As per the provisions of Section 10AA of the Act, the Company is eligible to claim deduction in respect of the profits derived from export of articles/ things/ services from its units set up in Special Economic Zones, if it begins to manufacture or produce articles or things or provide any services during the previous year relevant to any assessment year commencing on or after 1 April 2006. The deduction is available to the extent of 100% of eligible profits for the initial 5 years followed by 50% of the eligible profits for the next 5 years. Further, a deduction to the extent of 50% of the eligible profits is available where the Company credits a corresponding amount to a 'Special Economic Zone Re-investment Reserve Account' to be utilized in the specified manner. The benefit is available subject to fulfillment of prescribed conditions.

However, such profits derived by the Company are not eligible to be excluded in the computation of 'Book Profits' under Minimum Alternative Tax ('MAT'). Nonetheless, such MAT paid on the book profits of the Company computed in terms of the provisions of Act, read with the Companies Act, 2013 would be eligible for credit against tax liability arising under normal provisions of Act.

Further, such credit would not be allowed to be carried forward and set off beyond 10 assessment years immediately succeeding the assessment year in which such credit becomes allowable.

Additional Depreciation

In terms of Section 32(1)(ia) of the Act, the Company is entitled to additional depreciation at the rate of 20% of the actual cost of new plant and machinery acquired and installed on or after 31 March 2005. However, the benefit under this section is subject to certain conditions and restricted to specified assets acquired by the Company.

Investment Allowance in respect of newly acquired plant and machinery

In terms of Section 32AC(1) of the Act, the Company is eligible to an allowance at the rate of 15% of specified assets acquired and installed during the period 1 April 2013 to 31 March 2015 (Assessment Year 2014-15 and 2015-16), if the total investment in such specified assets by the Company exceeds Rs 100 Crores. This allowance is not required to be deducted from the written down value of the block of assets. Therefore, the entitlement is over and above the cost incurred by the Company which is otherwise allowed over the years as depreciation.

Further, Finance Act, 2014 has extended the benefit of this section to mid-scale companies, providing for deduction at the rate of 15% of the specified assets acquired and installed during the period 1 April 2014 to 31 March 2017 (Assessment Year 2015-16 and 2017-18), if the investment in such specified assets exceeds Rs 25 Crores in a particular financial year.

However, the benefit extended by Finance Act, 2014 shall not be available for Assessment Year 2015-16 once the Company is eligible to claim deduction under Section 32AC(1) for that assessment year.

If any such specified asset, acquired and installed by the Company in accordance with the provisions of Section 32AC, is sold or otherwise transferred (except in connection with the amalgamation or demerger) within a period of 5 years from the date of its installation, the amount of deduction claimed by the Company shall be deemed to be the income of the Company for the year in which such asset is sold / transferred.

2. General Tax Benefits

(a) Business income

- The Company is entitled to claim depreciation on specified tangible and intangible assets owned (wholly or partly) by it and used for the purpose of their business as per provisions of Section 32 of the Act.
- Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set-off against any source of income in subsequent years without any limitation of time as per provisions of Section 32 of the Act.
- As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred by an Indian company before commencement of business or after commencement of business in connection with extension of an undertaking or setting up a new unit shall be allowed a deduction equivalent to one-fifth of such expenditure for each of the five successive previous years beginning with the previous year in which the business is commenced/ extended. However, any deduction in excess of 5% of cost of project/ capital employed would be ignored.

(b) MAT credit

- As per Section 115JAA of the Act, the Company is eligible to claim credit for MAT paid for any assessment year commencing on or after April 1, 2006 against normal income tax payable in subsequent assessment years.
- MAT credit shall be allowed for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per the normal provisions of the Act for that assessment year. Such MAT credit is available for set-off up to 10 years succeeding the assessment year in which the MAT credit arises in accordance with Sub-sections (4) and (5) to Section 115JAA.

(c) Securities Transaction Tax ('STT')

- As per provisions of Section 36(1)(xv) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

(d) Dividends

- As per provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another domestic company shall be exempt from tax.
- As per provisions of Section 10(35) of the Act, income received by the company pursuant to holding of units of a mutual fund specified under Section 10(23D) of the Act (other than income arising from transfer of such units) shall be exempt from tax.
- However, as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt

income shall not be allowed as deduction while determining taxable income.

- The domestic company distributing dividends will be liable to pay dividend distribution tax at the rate of 15%¹ on the amount of dividend declared, distributed or paid till 30 September 2014. This tax is payable by the domestic company notwithstanding that no income tax is payable on its total income. No deduction shall be allowed to the Company or shareholder in respect of the dividend which has been subject to such distribution tax or the tax thereon.
- Further w.e.f. October 1, 2014, Finance Act, 2014, has amended Section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the Section 115-O, any amount which is declared, distributed or paid by any domestic company shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to such distributed profits. In other words, the dividends which are actually received by the shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax, resulting in an effective tax rate of 17.64%² on the amount of dividend declared, distributed or paid.
- As per the provisions of Section 115BBD of the Act, dividend received by an Indian company from a specified foreign company (in which the Indian company holds 26% or more in nominal value of the equity share capital of the foreign company) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess). The Finance Act, 2014 has extended the concessional rate of 15% without limiting it to a particular assessment year.
- For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a domestic company, the following shall be reduced :
 - dividend received from its subsidiary on which dividend distribution tax has been paid by such subsidiary ;
 - dividend received from its foreign subsidiary on which tax is payable by the domestic company under Section 115BBD.

For the limited purposes of determining dividend distribution tax, a company shall be treated as a subsidiary of another if the latter holds more than half in nominal value of the equity share capital of the former (domestic or foreign).

(e) Buy-back of shares

- As per Section 115QA of the Act, an Indian unlisted company will have to pay 20%² tax on 'distributed income' on buy-back of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from June 1, 2013.
- Such tax is payable by the company notwithstanding that no income tax is payable on its total income. No deduction shall be allowed to the Company or shareholder in respect of the income which has been subject to such distribution tax or the tax thereon.

(f) Capital gains

(i) Computation of capital gains

¹plus a surcharge of 10% on the distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of distribution tax and surcharge thereon

² plus a surcharge of 10% on the distribution tax and education cess and secondary and higher education cess of 2% and 1% respectively on the amount of distribution tax and surcharge thereon

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding.
- Capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) or a zero coupon bonds, held by an assessee for 12 months or less upto the date immediately preceding the date of its transfer, shall be considered to be a Short Term Capital Asset, capital gains arising from transfer of which shall be Short Term Capital Gains ('STCG').
- In respect of any other capital assets, STCG means capital gains arising from the transfer of a capital asset, held by an assessee for 36 months or less.
- Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than 12 months are considered to be short term capital asset. In respect of any other capital assets, the holding period should not exceed 36 months to be considered as short term capital assets. However, this amendment is applicable for transactions effected after July 10, 2014.
- Therefore, as per the current law, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than 36 months.
- As per provisions of Section 111A of the Act, gains arising on sale of Short Term Capital Assets being equity shares or units of equity oriented mutual fund [which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.
- However, where such transaction is not chargeable to STT, STCG is taxable at the rate of 30%.
- Capital assets other than Short Term Capital Assets are treated as Long Term Capital Assets, gains arising from transfer of which shall be Long Term Capital Gains ('LTCG').
- Gains arising on transfer of a Long Term Capital Asset, being equity shares of a company or units of an equity oriented fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust as defined in Section 2(13A), shall be exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
- However, such income and expenses (relatable to such income) are to be considered while determining book profits in accordance with provisions of Section 115JB of the Act.
- The Finance Act, 2012 has amended STT [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds, debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, shall be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, tax payable on transfer of listed securities or units or zero coupon bonds shall not exceed 10% of the LTCG (without

indexation benefit). However, Finance Act, 2014 has amended the provisions of Section 112 allowing the concessional rate of tax of 10% on long term capital gain to listed securities (other than unit) and zero coupon bonds. This amendment is applicable for transactions effected after July 10, 2014.

- The tax rates mentioned above stands increased by surcharge, payable by a domestic company at the rate of 5% where the taxable income of the domestic company exceeds Rs 10,000,000 but not Rs. 100,000,000. The surcharge shall be payable at the rate of 10% where the taxable income of a domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per Section 50 of the Act, where a capital asset transferred was forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
 - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
 - where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per Finance Act, 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders under Section 10(34A).
- As per provisions of Section 70 read with Section 74 of the Act, any short term capital loss arising on transfer of any Short Term Capital Asset during a year is allowed to be set-off against short term as well as long term capital gains arising on transfer of any other capital asset. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term or long term) arising during subsequent 8 assessment years.
- As per provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising on transfer of any Long Term Capital Asset during a year is allowed to be set-off only against LTCG arising on transfer of any other Long Term Capital Asset. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent 8 assessment years.

(ii) Exemption of capital gains from income- tax

- Under Section 54EC of the Act, capital gains arising from transfer of long term capital assets [other than those already exempt under Section 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds redeemable after three years and issued by:
 - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
 - Rural Electrification Corporation Limited ('REC'), a company formed and registered under the Companies Act, 1956.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis.
- The maximum investment in the long term specified asset should not exceed Rs 5,000,000 during the financial year in which the original asset is transferred and in the subsequent financial year.

- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted shall be taxable as capital gains in the year of transfer / conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.

(g) Other Provisions

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfillment of the conditions and threshold specified in that section. The aggregate amount of deduction under Section 80G shall not exceed the gross total income of the Company.

B. Benefits available to the Resident members/ shareholders of the Company under the Act

(a) Dividends exempt under Section 10(34)

- As per provisions of Section 10(34) of the Act, dividend (both interim and final) received by the resident members / shareholders from the Company shall be exempt from tax. However, as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income shall not be allowed as deduction while determining taxable income.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding.
- Capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) or a zero coupon bonds, held by an assessee for 12 months or less upto the date immediately preceding the date of its transfer, shall be considered to be a Short Term Capital Asset, capital gains arising from transfer of which shall be STCG.
- In respect of any other capital assets, STCG means capital gains arising from the transfer of a capital asset, held by an assessee for 36 months or less.
- Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than 12 months are considered to be short term capital asset. In respect of any other capital assets, the holding period should not exceed 36 months to be considered as short term capital assets. However, this amendment is applicable for transactions effected after July 10, 2014.
- Therefore, as per the current law, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than 36 months.
- As per provisions of Section 111A of the Act, gains arising on sale of Short Term Capital Assets being equity shares or units of equity oriented mutual fund [which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.
- However, where such transaction is not chargeable to STT, STCG is taxable at the normal rates of

taxation as applicable to the taxpayer.

- Capital assets other than Short Term Capital Assets are treated as Long Term Capital Assets, gains arising from transfer of which shall be LTCG.
- Gains arising on transfer of a Long Term Capital Asset, being equity shares of a company or units of an equity oriented fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust as defined in Section 2(13A), shall be exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- The Finance Act, 2012 has amended STT [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds, debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, shall be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, tax payable on transfer of listed securities or units or zero coupon bonds shall not exceed 10% of the LTCG (without indexation benefit). Finance Act, 2014 has amended the provisions of Section 112 allowing the concessional rate of tax of 10% on long term capital gain to listed securities (other than unit) and zero coupon bonds. This amendment is applicable for transactions effected after July 10, 2014.
- As per Finance Act, 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders under Section 10(34A).
- In the case of domestic companies, the tax rates mentioned above stands increased by surcharge, payable by a domestic company at the rate of 5% where the taxable income of the domestic company exceeds Rs 10,000,000. The surcharge shall be payable at the rate of 10% where the taxable income of the domestic company exceeds Rs 100,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- The surcharge shall be payable at the rate of 5% and 2% where the total taxable income of a company other than a domestic company exceeds Rs 100,000,000 and Rs 10,000,000 respectively. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable.
- The surcharge shall be payable at the rate of 10% where the total taxable income of a taxpayer other than a company exceeds Rs 10,000,000. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable.
- The resident shareholder may reduce the gains arising on the transfer of a capital asset from its basic exemption limit.
- As per provisions of Section 70 read with Section 74 of the Act, any short term capital loss arising on transfer of any Short Term Capital Asset during a year is allowed to be set-off against short term as well as long term capital gains arising on transfer of any other capital asset. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term or long term) arising during subsequent 8 assessment years.

- As per provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising on transfer of any Long Term Capital Asset during a year is allowed to be set-off only against LTCG arising on transfer of any other Long Term Capital Asset. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent 8 assessment years.

(ii) Exemption of capital gains from income tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset [other than those already exempt under Section 10(38)] are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis.
- The maximum investment in the long term specified asset should not exceed Rs 5,000,000 during the financial year in which the original asset is transferred and in the subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.
- In addition to the same, some benefits are also available to a resident shareholder being an individual or Hindu Undivided Family ('HUF'). As per provisions of Section 54F of the Act, LTCG arising from transfer of shares shall be exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of one residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other Provisions

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section shall not be applicable in case shares and securities are received under instances specified under the proviso thereon.

C. Benefits to the Non-Resident members/ shareholders of the Company under the Act

(a) Dividends exempt under Section 10(34)

As per provisions of Section 10(34), dividend (both interim and final), if any, received by Non-resident shareholder from the Company shall be exempt from tax. However, as per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income shall not be allowed as deduction while determining taxable income.

(b) Capital gains

(i) Computation of capital gains

- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on the period of holding.
- Capital asset being a share held in a company or any other security listed in a recognized stock

exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under Section 10(23D) or a zero coupon bonds, held by an assessee for 12 months or less upto the date immediately preceding the date of its transfer, shall be considered to be a Short Term Capital Asset, capital gains arising from transfer of which shall be STCG.

- In respect of any other capital assets, STCG means capital gains arising from the transfer of a capital asset, held by an assessee for 36 months or less.
- Finance Act, 2014 has amended Section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than 12 months are considered to be short term capital asset. In respect of any other capital assets, the holding period should not exceed 36 months to be considered as short term capital assets. However, this amendment is applicable for transactions effected after July 10, 2014.
- Therefore, as per the current law, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than 36 months.
- As per provisions of Section 111A of the Act, gains arising on sale of Short Term Capital Assets being equity shares or units of equity oriented mutual fund [which has been set up under a scheme of a mutual fund specified under Section 10(23D)], are subject to tax at the rate of 15% provided the transaction is chargeable to STT. No deduction under Chapter VI-A is allowed from such income.
- However, where such transaction is not chargeable to STT, STCG is taxable at the normal rates of taxation as applicable to the taxpayer.
- Capital assets other than Short Term Capital Assets are treated as Long Term Capital Assets, gains arising from transfer of which shall be LTCG.
- Gains arising on transfer of a Long Term Capital Asset, being equity shares of a company or units of an equity oriented fund (which has been set up under a scheme of a mutual fund specified under Section 10(23D)) or a unit of business trust as defined in Section 2(13A), shall be exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to STT and subject to conditions specified in that section.
- The Finance Act, 2012 has amended STT [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act.
- As per provisions of Section 112 of the Act, gains arising from the transfer of long term capital asset, being unlisted securities (other than by way of offer for sale under an initial public offer) is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefits.
- Further, gains arising on transfer of long term capital assets (other than unlisted securities) are subject to tax at the rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner prescribed under the first proviso to Section 48. As per first proviso to Section 48 of the Act, where the shares have been purchased in foreign currency by a non-resident, the capital gains arising on its transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of the consideration received or accruing as a result of the transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on dates

stipulated. If the tax payable on transfer of listed securities exceeds 10% of the LTCG without indexation benefits, the excess tax shall be ignored for the purpose of computing tax payable by the assessee.

- As per the Finance Act, 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders under Section 10(34A).
- The tax rates mentioned above stands increased by surcharge, payable at the rate of 2% where the taxable income of a foreign company exceeds Rs 10,000,000. As per Finance Act, 2014 the levy of surcharge is as follows:
 - In case of a foreign company whose total taxable income exceeds Rs 100,000,000 the rate of surcharge shall increase from 2% to 5%
 - In case of other non-residents, whose total taxable income exceeds Rs 10,000,000 surcharge shall be payable at the rate of 10% of income tax payable.
 - Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of taxpayers.
- As per provisions of Section 70 read with Section 74 of the Act, any short term capital loss arising on transfer of any Short Term Capital Asset during a year is allowed to be set-off against short term as well as long term capital gains arising on transfer of any other capital asset. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term or long term) arising during subsequent 8 assessment years.
- As per provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising on transfer of any Long Term Capital Asset during a year is allowed to be set-off only against LTCG arising on transfer of any other Long Term Capital Asset. Balance loss, if any, shall be carried forward and set-off against LTCG arising during subsequent 8 assessment years.

(ii) Exemption of capital gains from income tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset [other than those already exempt under Section 10(38)] are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis.
- The maximum investment in the long term specified asset should not exceed Rs 5,000,000 during the financial year in which the original asset is transferred and in the subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.
- The characterization of the gain/ losses, arising from sale/ transfer of shares/ units as business income or capital gains would depend on the nature of holding and various other factors.
- In addition to the same, some benefits are also available to a shareholder being an individual or HUF. As per provisions of Section 54F of the Act, LTCG arising from transfer of shares shall be exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of one residential house within three years from the date of transfer and subject to conditions and to the extent specified therein.

(c) Other provisions

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- As per provisions of Section 56(2)(vii) of the Act and subject to exception provided in second proviso therein, where an individual or HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value of the shares and securities by an amount exceeding fifty thousand rupees, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head 'income from other sources'. However, the said section shall not be applicable in case the shares and securities are received under instances specified under the proviso thereon.

(d) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the non-resident tax payer is required to provide such other documents and information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required (such as PAN, etc).

(e) Taxation of Non-resident Indians

- Special provisions in case of Non-Resident Indian ('NRI') in respect of income/LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:
 - NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
 - Specified foreign exchange assets include shares of an Indian company which are acquired / purchased / subscribed by NRI in convertible foreign exchange.
 - As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified foreign exchange assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10% (plus education cess and secondary & higher education cess of 2% and 1% respectively).
 - As per provisions of Section 115E of the Act, income [other than dividend which is exempt under Section 10(34)] from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified foreign exchange assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20% (plus education cess and secondary & higher education cess of 2% and 1% respectively). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.
 - As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset shall be exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
 - As per provisions of Section 115G of the Act, where the total income of a NRI consists only of income / LTCG from such foreign exchange asset / specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI shall not be required to file a return of income.

- As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his / her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

As per provisions of Section 115-I of the Act, a NRI can opt not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

D. Benefits available to Foreign Institutional Investors ('FIIs') under the Act

(a) Dividends exempt under Section 10(34)

- As per provisions of Section 10(34), dividend (both interim and final), if any, received by Non-resident shareholders from the Company are exempt from tax.

(b) Long – term capital gains exempt under Section 10(38) of the Act

- LTCG arising on sale equity shares of a company subjected to STT shall be exempt from tax as per provisions of Section 10(38) of the Act.

(c) Capital gains

(i) Computation of capital gains

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20% (plus applicable surcharge and education cess and secondary & higher education cess). No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act. Finance Act, 2014 has inserted a provision that the amount of income tax calculated on the income by way of interest on rupee denominated bonds of an Indian Company/ Government securities (referred in Section 194LD) shall be at the rate of 5%.
- As per provisions of Section 115AD of the Act, capital gains arising from transfer of securities is taxable as follows:

Nature of income	Rate of tax (%)
LTCG on sale of equity shares not subjected to STT	10
STCG on sale of equity shares subjected to STT	15
STCG on sale of equity shares not subjected to STT	30

Further, the benefit of indexation and adjustment on account on foreign currency fluctuations prescribed under Section 48 shall not be applicable for the determination of capital gains chargeable to tax.

- For corporate FIIs, the tax rates mentioned above stands increased by surcharge, payable at the rate of 5% and 2% where the total taxable income exceeds Rs 100,000,000 and Rs 10,000,000 respectively. Further, education cess and secondary and higher education cess on the total income tax at the rate of 2% and 1% respectively is payable by all categories of FIIs.

- As per the Finance Act, 2013 any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

(ii) Exemption of capital gains from income tax

- As per Section 54EC of the Act, capital gains arising from the transfer of a long term capital asset [other than those already exempt under Section 10(38)] are exempt from capital gains tax if such capital gains are invested within a period of 6 months after the date of such transfer in specified bonds issued by NHAI and REC and subject to the conditions specified therein.
- Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis.
- The maximum investment in the long term specified asset should not exceed Rs 5,000,000 during the financial year in which the original asset is transferred and in the subsequent financial year.
- Where the new bonds are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer/conversion.

(d) Other provisions

- The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.

(e) Tax Treaty benefits

- As per provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the FII, whichever is more beneficial. It needs to be noted that a non-resident is required to hold a valid tax residency certificate. Additionally the FII is required to provide such other documents and information in the Form 10F as prescribed under Notification No. 57 of 2013 dated August 1, 2013. However, it may be noted that Tax Authorities may ask for other information and supporting documents if required (such as PAN, etc).

E. Benefits available to Mutual Funds under the Act

(a) Dividend Income

- As per provisions of Section 10(23D) of the Act, any income of mutual funds registered under the Securities and Exchange Board of India, Act, 1992 or Regulations made there under, mutual funds set up by public sector banks or public financial institutions and mutual funds authorized by the Reserve Bank of India, shall be exempt from income tax, subject to the prescribed conditions.
- Dividend income, if any, received by a mutual fund from investment in shares of a domestic Company will be exempt from tax under Section 10(34) read with Section 115-O of the Act.

F. Wealth Tax Act, 1957

- Wealth tax is chargeable on prescribed assets. As per provisions of Section 2(m) of the Wealth Tax Act, 1957, the Company is entitled to reduce debts owed in relation to the assets which are chargeable to wealth tax while determining the net taxable wealth.
- Shares in a company, held by a shareholder are not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence, wealth tax shall not be applicable on shares held in a company.

G. Gift Tax Act, 1958

- Gift tax is not leviable in respect of any gifts made on or after October 1, 1998.

Note: All the above benefits are as per the current tax laws and will be available only to the sole/ first name holder where the shares are held by joint holders.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from several industry sources. Certain information contained in this section is derived from the reports “Global CRO Market: Transformation, Developments, Opportunities and Future of CRO Market” by Frost & Sullivan, dated February 2015 (the “Frost & Sullivan Report”) and “Contract Drug Discovery Research: Outsourcing Global (CDDRO) Market-2018” by IQ4I Research & Consultancy Pvt. Ltd., dated January 2015 (the “IQ4I Report”). Information in the Frost & Sullivan Report reflects estimates based on sample survey, projection techniques and other research tools. References to Frost & Sullivan should not be considered as Frost & Sullivan’s opinion as to the value of any security or the advisability of investing in us.

Neither we nor any other person connected with the Offer has independently verified information contained in this section. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

Unless otherwise specified, references to years in this section are to calendar years.

CRO Industry

Contract Research Organisations (“**CROs**”) offer outsourced services to support discovery and development for R&D driven organisations across industrial sectors like pharmaceuticals, biotechnology, biopharmaceuticals, nutraceuticals, animal health, agro-chemicals, cosmetics and electronics. CRO services span the range of R&D activities from New Molecular Entity (“**NME**”) discovery, development and manufacturing. Growth in the CRO market has historically been driven by growth in R&D spending and increased outsourcing of R&D activities.

The discovery and development process generally involves (1) discovery (target identification, target validation, lead generation, lead optimisation and lead selection), (2) development (pre-clinical testing, clinical testing and regulatory filings with the FDA and other relevant regulators), and (3) manufacture (process development and early stage manufacture) leading to commercialisation (manufacturing and post-marketing follow-up studies on impact and side effects).

Frost & Sullivan estimates that global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion, of which US\$105 billion could have potentially been outsourced (*Source: Frost & Sullivan Report*). According to IQ4I Research & Consultancy Pvt. Ltd (“**IQ4I**”), outsourcing penetration of CRO discovery services in 2013 is estimated to be 51.9% of the global pharmaceutical and biotech industry but poised to grow to 65.7% in 2015, reflecting a CAGR of 12.5% (*Source: IQ4I Report*). According to the Frost & Sullivan Report, outsourcing penetration for the CRO market for development services as of 2014 is estimated to be 27.3% of the potential outsourcing market for development services, but poised to grow to 38.7% in 2019, reflecting a CAGR of 12.5%.

Although the CRO industry has grown substantially in recent years, the opportunity to further penetrate potential outsourcing markets provides an opportunity for the industry to increase its share of global R&D expenditures.

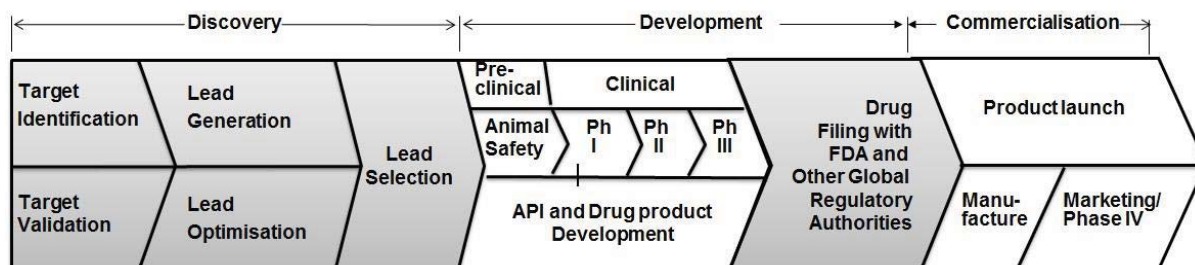
The global CRO market for discovery services was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion in 2018, reflecting a CAGR of 11.5% (2014-2018), according to the IQ4I Report. The global CRO market for development services was estimated to be US\$28.8 billion in 2014 and is expected to reach US\$44.6 billion in 2018, reflecting a CAGR (2014–2018) of 11.6%, according to the Frost & Sullivan Report.

Overview of CRO Services

CROs offer clients an opportunity to manage costs, have flexible operations and realise efficiencies in R&D and related functions. As an industry, CROs have expanded their service offerings over time to meet growing needs for full-service outsourcing across the full spectrum of R&D and related activities. In practice, however, most

CRO service providers specialise to some degree based on the needs of their clients and the market in which they operate.

CRO service providers will typically compete in various segments of (1) Discovery, (2) Development and (3) Manufacturing, as reflected below.



Discovery

Discovery covers the process from target identification to target validation to lead generation and lead optimisation. The focus at this stage is to narrow down thousands of compounds to a few hundred, promising possibilities for further research and development. Typically scientists begin with basic research on the physiological target and develop hypothetical mechanisms of action which could potentially bring about the desired outcome. Following basic research, researchers look for a lead compound—a promising molecule that could influence the target in line with the projected hypotheses and potentially become a medicine. Researchers do this in various ways, including creating a molecule, using high-throughput screening techniques to select a few promising possibilities from among thousands of potential candidates, finding compounds from nature, and using biotechnology to genetically engineer living systems to produce disease-fighting molecules.

Some of the key steps in the NME discovery process are described below:

- **Target Validation:** Target validation involves intensive *in vitro*, as well as *in vivo* studies that provide information on the effects of the pharmacological intervention. The result of these efforts helps establish sufficient knowledge so that physiologically relevant model systems could be developed into assays for downstream screening.
- **Lead Generation:** The aim of this stage of the work is to refine each hit series to try to produce more potent and selective compounds which possess properties adequate to examine their efficacy in any *in vivo* models that are available.
- **Lead Optimisation and Selection:** Lead optimisation and selection seeks to identify and synthesise lead compounds, new analogs with improved potency, reduced off-target activities, and physiochemical/metabolic properties suggestive of reasonable *in vivo* pharmacokinetics through chemical modification of the hit structure. Modifications are chosen by employing knowledge of the structure-activity relationship (SAR) as well as structure-based design if structural information about the target is available.

Development

After the NME discovery stage narrows down thousands of compounds to a few hundred promising possibilities, these molecules enter the development stage. The development stage spans preclinical and clinical testing in addition to drug substance and drug product development.

The key stages in the process are described as below:

- **Preclinical Testing:** This step involves exhaustive laboratory and animal experimentation of the pre-clinical drug candidates for safety and therapeutic effect in order to determine whether a compound is suitable for human testing. The focus during this stage is largely on generating data around safety and preliminary efficacy by testing the NMEs on relevant animal models. This process may take several years to come up with a molecule considered suitable for human testing. The data generated during this

stage is a critical part of the dossier which gets submitted to the relevant regulatory bodies in order to receive approval for the concerned NME for moving to clinical trials.

- **Clinical Trials:** Drug candidates approved by the relevant regulatory body are typically referred to as an Investigational New Drug Application (“IND”). INDs proceed to clinical trials. Broadly, clinical trials are studies in humans to determine the safety, efficacy and suitable drug dosage of potential drug candidates. The major phases in clinical trials are described below:
 - Phase I trials test a compound in a small group (e.g., 20 to 100) of healthy volunteers to determine the safety of the compound.
 - Phase II trials test the compound in a somewhat larger group (e.g., 100 to 500) of volunteers who have the disease or condition the compound is designed to treat. Phase II trials determine the effectiveness of the compound, examine possible short-term side effects and risks, and identify optimal dose and schedule.
 - Phase III trials test the compound in a much larger group (e.g., 1,000 to 5,000) of participants to generate statistically significant information about safety and efficacy and to determine the overall benefit-risk ratio.
 - Bio-analytical testing of clinical trial samples generated during the aforementioned studies to quantify the safety, efficacy and associated data related to the clinical trial end points. The data generated here helps in evaluating the success or failure of the trial with respect to its predefined objectives.
- **Drug Substance Development:** Drug substance development covers early stage and late stage process development and optimisation. This process starts at a candidate selection stage, with small quantities of drug substance being manufactured under non-GMP conditions for toxicology evaluation and under GMP conditions for initial clinical studies. Depending on the outcome of these studies, larger quantities of drug substance are manufactured for late stage clinical programs. As an NME passes through the clinical development continuum, increasing emphasis is placed on developing a robust, scalable, safe and efficient manufacturing process which can be used for subsequent commercialisation of the drug.
- **Drug Product Development:** Drug product development covers early stage and late stage formulation development and manufacture. The drug substance can be formulated in a variety of forms, depending on the preferred mode of administration. The formulations tend to be simpler for preclinical and Phase I trials. As the molecule moves further along the development cycle, the formulation becomes increasingly nuanced in line with the data being generated through the trials. The key formulation types are oral solid dosage forms (tablets, capsules, drug-in-capsule), oral liquid dosage forms (solutions and suspensions), injectable dosage forms (solutions and lyophilised), and modified release oral dosage forms (functionally coated mini-tablets, drug layered beads as well as matrix tablet formulations).

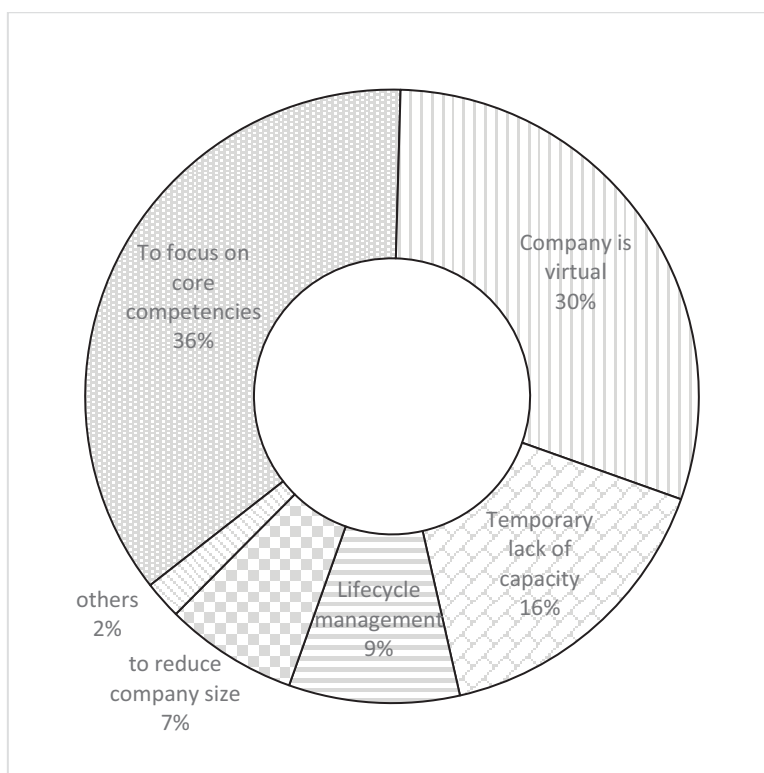
Manufacturing

NMEs can be used by millions of people or sometimes by a small, select population, and often are on the market for many years. Consequently, manufacturing facilities must be carefully designed so that the commercialised product can be consistently and efficiently produced at the highest level of quality.

Accordingly, manufacturing facilities must be constructed to the high standards to ensure safety and quality in the manufacturing process. For example, pharmaceutical companies must adhere to FDA or other relevant regulations, and must upgrade facilities when new NMEs are approved, since each new NME is manufactured differently.

Factors Driving Outsourcing of R&D

According to Contract Pharma's 2014 Annual Outsourcing Survey, respondents attributed their decisions to outsource to the factors in the chart below.



Source: Contract Pharma, 2014 Annual Outsourcing Survey

Factors driving R&D and outsourcing trends include:

Focus on Core Competencies

Many industry participants and consultants have suggested that pharmaceutical companies are revisiting what is deemed a core competency, suggesting more willingness to outsource functions across the development spectrum (the “D” of R&D), and certain discovery research functions such as lead optimisation (part of the “R” of R&D). According to a survey by RolandBerger Strategy Consultants, pharmaceutical executives identified marketing, sales and clinical development as the core competencies of their organisations, with other functions such as discovery and pre-clinical development lagging (Source: “Pharma at the Crossroads: Choosing Directions in a Transforming Healthcare World” by Roland Berger Strategy Consultants, 2008). To the extent such discovery and pre-clinical development processes do not represent pharmaceutical core competencies, the activities are outsourced. The pressure to lower internal R&D costs and optimise processes, coupled with an increasing level of scientific and technical sophistication at CROs, could lead to more functions being outsourced over time.

Company is Virtual: Smaller Clients and Virtual Pharma

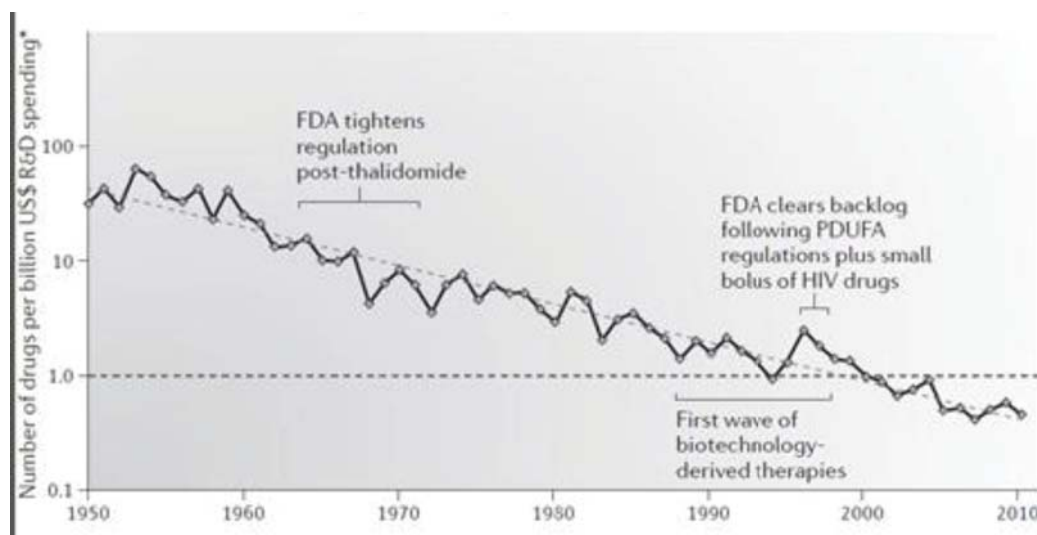
Emerging venture-backed or virtual biotechnology firms focusing on a limited range of products generally have limited resources, infrastructure and experience in drug discovery and development. With greater access to capital, these firms may increasingly have the resources to outsource discovery and development services to CROs. These organisations tend to seek a broader range of services from CROs than traditional pharmaceutical companies. The rebound in biotech funding has given a thrust to R&D outsourcing from these companies. According to PwC/NVCA MoneyTree Report with data provided by Thomson Reuters, for the full year 2014, investments in the U.S. life sciences sector rose 29% in value, with \$8.6 billion invested in 789 deals (Source: PricewaterhouseCoopers/National Venture Capital Association MoneyTree Report; data: Thomson Reuters, February 2015).

Client Flexibility and Moving from Fixed to Variable Cost Models

Rising costs of R&D, profit pressures arising from patent expirations and the need for greater flexibility have reduced the willingness of pharmaceutical companies to incur large fixed costs associated with large scale R&D programs. Outsourcing allows clients to convert a portion of their R&D budgets from a fixed to a variable cost, giving them greater flexibility to shift strategic and development priorities in response to market conditions. This trend was reflected in a recent survey of outsourcing clients conducted by Parexel International in which the flexibility to convert fixed R&D costs into variable costs was cited as the second most important factor motivating a shift to outsourcing (following access to capabilities not available in-house) (Source: “Strategic Partnerships 2013: Transforming and Unlocking Value in Biopharmaceutical Development” by PARAXEL International Corporation, 2013). In addition, clients prefer to tap into outsourcing services when they undergo temporary lack of capacities rather than making additional investments into infrastructure.

Decreasing the Unit Cost of R&D Output

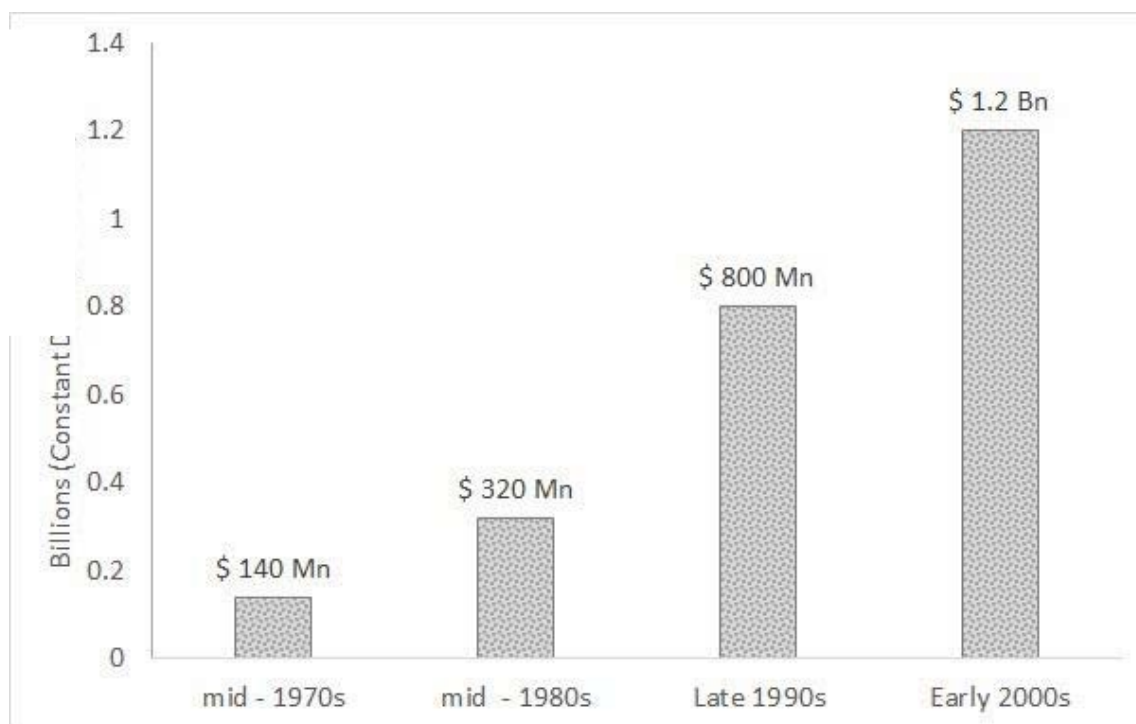
Pharmaceutical companies face pressure to decrease the unit cost of R&D output by realising efficiencies in the R&D process without compromising the pace and quality of drug development. According to a 2012 article titled “Diagnosing the decline in pharmaceutical R&D efficiency” appearing in *Nature Reviews Drug Discovery*, the number of new drugs approved per billion US dollars on R&D has halved roughly every nine years since 1950 (or, equivalently, the cost of developing a new drug has doubled every nine years), falling around 80-fold in inflation-adjusted terms (Source: Adapted by permission from Macmillan Publishers Ltd: Diagnosing the decline in pharmaceutical R&D efficiency, *Nature Reviews Drug Discovery* 11 (191-200), March 2012). Since there are natural limits on the pace of drug development, improving R&D productivity through cost management is a significant issue. This decreased productivity has come in conjunction with a “patent cliff” in which small molecule products representing US\$154 billion of annual sales revenue came off patent protection from 2009 to 2013, with another US\$27 billion of branded drugs projected to come off patent protection in 2015 alone (Source: *Global Outlook for Medicines Through 2018* by IMS Institute for Healthcare Informatics©, November 2014), motivating pharmaceutical companies to invest in R&D to drive new drugs to market and replace lost revenue. However, in 2008, it was estimated that for every dollar lost in declining product revenues due to patent expirations by 2012, the large-cap pharmaceutical companies would only be able to replace on average 26 cents with new product revenues. (Source: Adapted by permission from Macmillan Publishers Ltd: Diagnosing the decline in pharmaceutical R&D efficiency, *Nature Reviews Drug Discovery* 11 (191-200), March 2012)



Source: Reprinted by permission from Macmillan Publishers Ltd: *Nature Reviews Drug Discovery* 11 (191-200), March 2012

The pharmaceutical industry has responded to R&D productivity challenges by seeking to improve the return on investment for R&D spending by realising efficiencies through outsourcing. The average cost to develop a new drug, including the costs of failures, has increased from US\$140 million in the late 1970's to US\$800 million by the late 1990's and approximately US\$1.2 billion by the early 2000s (all in US dollars as of 2000). Furthermore, for every 5,000 to 10,000 potential compounds that are evaluated, ultimately only one receives approval from the FDA. (Source: *Pharmaceutical Research and Manufacturers of America, 2014 Biopharmaceutical Research Industry Profile* (Washington, DC: PhRMA, April 2014)). Given the relatively low yield from early stage compounds, cost effective drug development processes are critical to the health of the pharmaceutical industry.

The rise in the average cost of developing an NME (USD million) is reflected in the chart below:



Source: Pharmaceutical Research and Manufacturers of America, 2014 Biopharmaceutical Research Industry Profile (Washington, DC: PhRMA, April 2014)

CROs, especially those based in Asia Pacific and Eastern Europe, provide a significant cost advantage to organisations seeking to rationalise their R&D spends. The lower cost structure in these regions helps in reducing the R&D spend by decreasing the unit cost of R&D output.

R&D Pipeline Growth

Frost & Sullivan estimates that global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion reflecting a growth of 2.2% vis-à-vis 2013. (Source: *Frost & Sullivan Report*). With a handful of promising and innovative products in the industry pipeline, and with 2014 representing the best year for approvals of NMEs since the 1990s, the Frost & Sullivan Report projects an increase in R&D spending from US\$139.0 billion in 2014 to US\$152.3 billion in 2018, implying a CAGR of 2.3% during such period. Healthy prescription pharmaceutical sales growth (projected to grow at a CAGR of 5.1% from 2013 to 2020 to a projected US\$1,017 billion in 2020) (Source: *EvaluatePharma® World Preview 2014*, Evaluate Ltd, www.evaluate.com) and improving FDA approval levels may also allow pharmaceutical companies to allocate more capital to R&D spending. Frost & Sullivan estimates that out of the current R&D spends, about 75% could be potentially outsourced indicating significant headroom for growth of the global outsourcing industry.

Client Relationships and Contracting

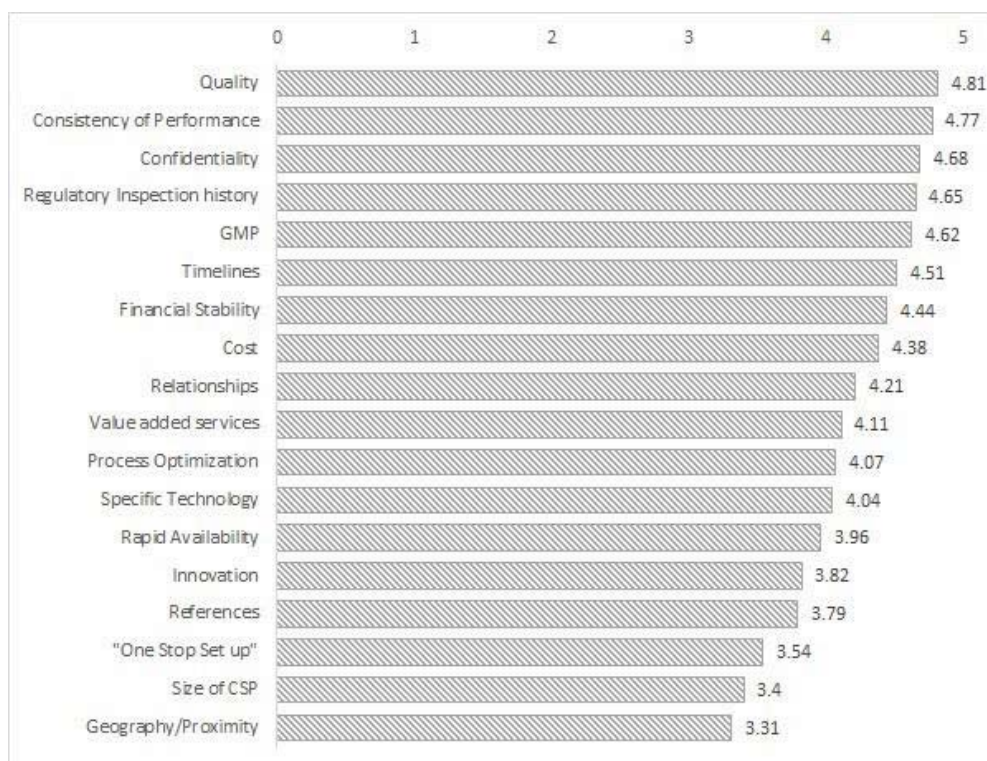
CRO contracts can take a variety of forms, ranging from the strategic partnerships to functional service agreements for a specific function (*i.e.*, target validation, hit identification, lead optimisation, etc.) or more one-off transactional contracts. Furthermore, these relationships can be for a specific compound, set of trials,

therapeutic area, or geography. CROs typically employ business development teams, often segmented by service offering, to participate in request-for-proposal processes. Clients evaluate CROs on numerous factors.

According to Contract Pharma's 2014 Annual Outsourcing Survey, respondents cited the following items as the most important considerations when selecting an outsourcing vendor:

- **Quality:** Quality is the foremost consideration for clients, implying that clients do not view outsourcing as a pure cost play;
- **Consistency of Performance:** Consistent performance is one of the leading considerations for clients, which indicates that clients are looking for a dependable partner with whom they can work consistently over a longer time horizon;
- **Confidentiality:** Concerns relating to the protection of proprietary intellectual property and discovery and development initiatives ranks among the top client priorities. Clients typically demand that CRO providers have adequate processes in place to protect confidential information in addition to a verifiable track record of IP protection;
- **Regulatory Inspection History & Good Manufacturing Processes ("GMP"):** CROs are subject to inspection by the FDA and other regulators, and outsourcing clients take a keen interest in the regulatory inspection history of a CRO provider to ensure compliance with applicable regulations. Hence, clients typically conduct frequent audits of their CRO's facility to ensure sustained quality and systems management. Good Manufacturing Practices are the practices required to conform to regulatory guidelines recommended to control the manufacture and sale of food, drug products, and active pharmaceutical products, and are key priorities for CRO clients to avoid any regulatory or reputational damages originating from the outsourcing decision; and
- **Financial Stability:** The NME discovery and development process spans several years, and clients prefer to work with CROs who have a demonstrated history of efficient fiscal management and stability. This assurance is critical for them to establish long term working relationships.

Contract Pharma's 2014 Annual Outsourcing Survey respondents full survey results are provided below, citing the following criteria as most important when selecting an outsourcing partner (on a scale of 1 to 5):



Evolution of CRO Services in Asia Pacific: Moving up the Value Chain

As biopharmaceutical companies and other clients outsource more of their value-added R&D functions to focus on core competencies such as brand management, marketing and sales, CROs, including those in Asia, to move up the value chain. Multi-nationals are increasingly turning to research based partnerships as a way of sourcing high end expertise and building up drug discovery investment in Asia.

Market Composition and Opportunities

Revenue by Function

The table below reflects global CRO market revenue for the periods presented by discovery, pre-clinical and clinical segments.

Outsourcing Market by stage of DD Continuum (US\$ Bn)	2014	2018	Growth CAGR
Discovery Services	14.7	22.7	11.5%
Preclinical Services	3.8	4.6	5.2%
Clinical Trials (Phase I –IV)	15.8	24.7	11.9%
Clinical Services ¹	9.2	15.2	13.5%
Total outsourcing Market	43.4	67.3	11.5%

¹Clinical Services refer to adjuvant services which support the clinical development process and includes services like bioanalytics, biostatistics, Health Economics and Outcomes Research, pharmacovigilance, central lab services and data management.

Source: Presentation based on combined data from the IQ4I Report for discovery services, and preclinical, clinical trials and clinical services from Frost & Sullivan Report.

Revenue by Geography

According to the IQ4I Report, the global NME discovery outsourcing market is estimated to be \$14.7 billion in 2014 and is expected to reach \$22.7 billion by 2018, implying growth at a CAGR of 11.5% over this period. Asia-Pacific is projected to be the fastest growing region in the NME discovery outsourcing market, registering a CAGR of 15.5% from US\$4.2 billion in 2014 to US\$7.5 billion in 2018 due to efficient CRO hubs especially in India and China.

The table below reflects geographical CRO market revenue for 2014 presented by discovery, pre-clinical and clinical segments.

Outsourcing Market by stage of DD Continuum (US\$ Bn)	North America	Europe	Asia Pacific	Rest of World	Total
Discovery Services	5.0	4.7	4.2	0.7	14.7
Preclinical Services	2.0	1.3	0.4	0.1	3.8
Clinical Trials (Phase I –IV)	8.0	5.3	1.9	0.6	15.8
Clinical Services	4.6	3.0	1.2	0.4	9.2
Total	19.6	14.2	7.7	1.9	43.4

Source: Presentation based on combined data from IQ4I Report for discovery services, and preclinical, clinical trials and clinical services from Frost & Sullivan Report.

Revenue by Molecule Type

According to the IQ4I Report, the small molecules market was the largest contributor to CRO industry revenue at approximately 86% in 2014 and is projected to grow at a CAGR of 8.9% during the forecast period 2014-18 to reach US\$17.6 billion by 2018 from US\$12.5 billion in 2014. The IQ4I Report further projects that biologics will grow faster at a CAGR of 23.0% during the forecast period 2014-18 compared to the small molecules market to reach US\$4.8 billion in 2018 from US\$2.1 billion in 2014. The growth is attributable to the increase in biologics R&D spending and shorter approval times, although high development costs have limited the growth of biologics to date (Source: IQ4I Report).

Outsourcing of Commercial Manufacturing

Most pharmaceutical and biotechnology companies outsource at least part of their manufacturing. Since most pharmaceutical companies view their core competencies as R&D and Marketing & Sales (“M&S”), commercial manufacturing represents a growth area for CRO firms, who typically already manufacture pharmaceuticals on a non-commercial scale. Historically, large companies that are inclined to manufacture in-house do so primarily to maximise their return on investment in facilities and capital by operating at maximum capacity. However, because of the unpredictability of the drug development pipeline, sizing a plant to maintain maximum capacity is challenging. To reduce risks, a growing number of drug companies outsource some of their manufacturing to outsourcing companies. Such partnering arrangements enable companies to manage surges in capacity needs without tying up assets during slower periods. In addition, smaller companies often do not have the resources or capital to invest in process development and manufacturing facilities, and thus tend to outsource more of their manufacturing costs.

Key Drivers of Pharmaceutical R&D Outsourcing to India

India has become a major destination for pharmaceutical R&D outsourcing. Historically, India has offered a significant cost advantage and skilled personnel. However, as pharmaceutical companies outsource more R&D functions, outsourcing to India is increasingly seen as a strategic move to garner quality and value, rather than just a tactical decision to lower costs.

Availability of Skilled Resources: India possesses a critical mass of highly skilled English speaking scientists with demonstrated expertise in areas such as drug discovery chemistry; a labour force that is continuously growing due to the high number of PhDs who graduate from top institutions each year.

Lower Labour Costs: According to Frost & Sullivan, The cost of conducting clinical trials in countries, such as China, India and Indonesia, is 25-40% less expensive than in western countries.

Strong Infrastructure: India has cutting-edge technology and IT expertise, a growing pool of doctors and improving hospital infrastructure with access to a growing pool of talent trained in global clinical trials.

OUR BUSINESS

Overview

We are one of the leading India-based contract research organisations (“CRO”), offering a suite of integrated, end-to-end discovery and development services for novel molecular entities (“NMEs”) across industrial sectors including pharmaceutical, biotechnology, agrochemicals, consumer health, animal health, cosmetic and nutrition companies. Our service offerings in discovery and development cover multiple domains across small molecules, large molecules, antibody-drug conjugates (“ADC”) and oligonucleotides. Our integrated discovery and development platforms help organisations conduct discovery (from hit to candidate selection), development (including pre-clinical and clinical studies, analytical and bio-analytical evaluation, formulation development and stability studies) and pilot manufacturing (scale-up, pre-clinical and clinical supplies) under one roof with a distinctive economic advantage. Our service offerings also support the development of bio-similar and generic molecules. In the near term, we intend to forward integrate into commercial-scale manufacturing of NMEs.

Outsourcing discovery and development work is an established alternative to in-house development among multinational organisations. While traditionally multinational organisations had looked at outsourcing as a way to reduce their research and development (“R&D”) expenditures, the R&D outsourcing industry is evolving from a mere leveraging of cost arbitrage to enhancing R&D productivity and reducing the time to market.

According to the Frost & Sullivan Report, the global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion, of which US\$105 billion could be potentially outsourced. According to the IQ4I Report, the global CRO market for discovery services, our core focus area in the CRO sector, was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion in 2018, reflecting a CAGR of 11.5% (2014-18).

As an experienced CRO with a proven track record of providing quality NME discovery, development and manufacturing services and continued focus on reliability, responsiveness and protection of client’s intellectual property, we believe we are well-positioned to benefit from the expected growth in the CRO industry. We offer an attractive variable cost alternative to the traditionally fixed cost, in-house, resource intensive business model of R&D focussed organisations.

We offer services through flexible business models that are customised to our client’s requirements. These range from a full-time equivalent (“FTE”) to a fee-for-service (“FFS”) model, or a combination thereof. During the nine months period ended December 31, 2014, we serviced 195 clients, ranging from multinational corporations to start-ups, including seven of the top 10 global pharmaceutical companies by sales for 2014. (*Source for top 10 global pharmaceutical companies by sales for 2014 — IMS Health MIDAS, December 2014*) We have several long-term relationships and multi-year contracts with our clients, including three long-duration multi-disciplinary partnerships, each with a dedicated research centre, with three of the world’s leading global healthcare organisations Bristol-Myers Squibb Co. (“BMS”), Abbott Laboratories (Singapore) Pte. Ltd. (“Abbott”) and Baxter International Inc. (“Baxter”).

We deliver our services through a combination of scientific talent, globally accredited systems and R&D infrastructure. As of December 31, 2014, our tangible fixed assets (gross block) were ₹9,010 million. Our laboratory and manufacturing facilities are spread over more than 900,000 sq. ft. and located in Bengaluru, India. As of February 28, 2015, we had 2,096 scientists, including 259 Ph.Ds. and 1,661 scientists with a Master’s degree.

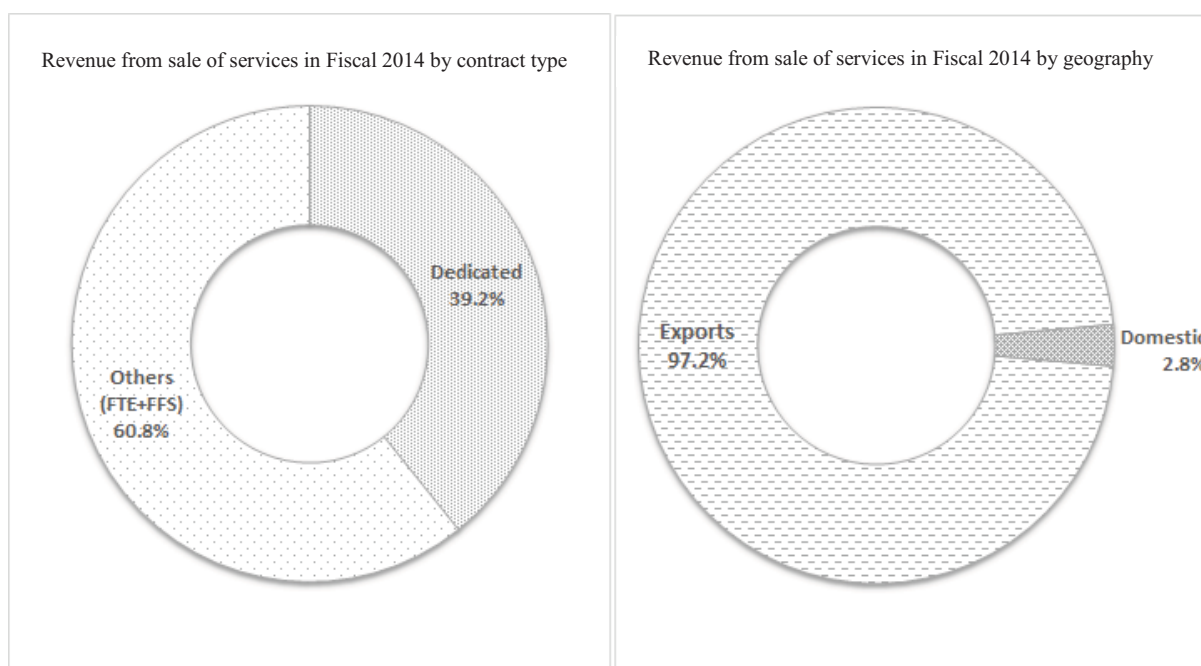
We were incorporated in 1993 and are headquartered in Bengaluru, India. We are a subsidiary of Biocon Limited (“Biocon”), a global biopharmaceutical enterprise focused on delivering affordable formulations and compounds. Biocon has been listed on the Indian stock exchanges since 2004 and as of March 31, 2015 had a market cap of ₹93.9 billion on the BSE as well as the NSE. Over the years, Biocon has successfully brought to the market several affordable and alternative therapeutic drugs in the areas of diabetes, oncology and auto-immune diseases. Biocon is currently focused on bringing its portfolio of generic insulins and bio-similar monoclonal antibodies to global markets.

For the nine months period ended December 31, 2014, we generated total revenue of ₹6,175 million, restated profit of ₹1,194 million and EBITDA of ₹2,071 million. For the fiscal year ended March 31, 2014, we generated total revenue of ₹7,077 million, restated profit of ₹1,348 million and EBITDA of ₹2,226 million. For the three

fiscal years ended March 31, 2014, our total revenue, restated profit and EBITDA grew at a CAGR of 29.9%, 70.5% and 30.6%, respectively.

Effective April 1, 2014, our subsidiary Clinigene International Limited (“**Clinigene**”), through which we have provided our clinical research and clinical trial services, was amalgamated with us. Prior to this date, our results did not include the results of Clinigene.

For the fiscal year ended March 31, 2014, our revenue from the sale of services was ₹6,871 million. For the fiscal year ended March 31, 2014, we derived 39.2% and 60.8% of our revenue from the sale of services from long-term contracts with dedicated infrastructure and other contracts, respectively. For the fiscal year ended March 31, 2014, we derived 97.2% and 2.8% of our revenue from the sale of services to customers outside India and from customers in India, respectively. The charts below present the split of our revenue from the sale of services for the fiscal year ended March 31, 2014 between long-term contracts with dedicated infrastructure and other contracts and between customers outside India and customers in India, respectively:



Strengths

We believe we are well-positioned to capture market opportunities and to benefit from the expected growth in the R&D outsourcing market through our competitive strengths, which principally include the following:

World-class infrastructure, systems and processes that comply with quality standards to serve international markets and successful audits by regulatory authorities such as the FDA and EMA

As of December 31, 2014, our tangible fixed assets (gross block) were ₹9,010 million. Our laboratory and manufacturing facilities are spread over more than 900,000 sq. ft. and are located in Bengaluru, India. We believe our infrastructure, along with high standards of regulatory compliance and quality services, provide us with a sustainable competitive advantage. We operate our laboratory and manufacturing facilities to high standards that are consistent with the requirements of our large global clients. Our research facilities and systems are certified with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 standards. Our pre-clinical research facilities are Good Laboratory Practices (“GLP”) certified and accredited by Association for Assessment and Accreditation of Laboratory Animal Care (“AAALAC”). Our clinical facilities are GLP compliant, National Accreditation Board for Testing and Calibration Laboratories (“NABL”), College of American Pathologists (“CAP”) and Central Drugs Standard Control Organisation (“CDSCO”) accredited and have undergone multiple FDA audits. In 2014, we successfully completed an FDA pre-approval inspection of one of our manufacturing facilities. In 2010 and 2013, we also successfully completed EMA audits of our bio-analytical and clinical facilities. In addition to regulatory inspections, our facilities and systems are regularly inspected by our clients.

Talented and qualified pool of scientists and an experienced management

We have an experienced and qualified team of scientists across multiple disciplines. As of February 28, 2015, 91.6% of our scientist pool of 2,096 scientists had a Master's degree or a Ph.D. We believe our position as an industry leader represents a significant competitive advantage in attracting and retaining high-quality scientists required to successfully execute our innovative business model and to differentiate our service offerings from those of other CROs. We recruit primarily from the large scientific talent pool in India as well as from overseas, in particular, Indian nationals returning home after having studied or worked overseas with significant educational or research industry experience. For the three fiscal years ended March 31, 2012, March 31, 2013 and March 31, 2014, we had an average attrition rate of 14.7%, which we believe is a low rate for our industry in India.

According to India's University Grants Commission's annual report for 2012-2013, approximately 4 million students enrol annually for undergraduate education in the sciences. We believe there is also a large pool of students who seek to pursue their career in India after obtaining scientific qualifications (Master's, Ph.D.'s and post-doctoral) overseas. This makes India an attractive destination for world-class talent which, when combined with modern R&D enabling infrastructure, makes a value proposition for multinational organisations looking to outsource R&D.

We are led by a dedicated and experienced executive management team that has a median of 20 years of experience across global clinical research, pharmaceutical and life sciences industries. Our team has leveraged its deep knowledge and wide network of industry relationships to drive significant growth in revenue and earnings over the past five years.

Integrated service offerings across multiple domains with a proven track-record of successful delivery, reliability, cost efficiency and client satisfaction

We have evolved from being a discovery chemistry and discovery biology-focused CRO to an integrated provider of discovery and development services for NMEs across a range of domains including small molecules, large molecule biologics, ADCs and oligonucleotides. The depth and breadth of our scientific capabilities and service offerings provide us multiple entry points during the life cycle of our clients' molecules across the discovery and development process. Our broad discovery and development capabilities also enable us to serve a number of industrial sectors beyond the pharmaceutical and biotechnology sectors.

We believe our operational track record in successful delivery of projects, responsiveness, process innovation, turnaround times, and productivity has facilitated the strengthening of our client base. Over the years, we have built significant credibility and a regulatory track record in various therapeutic platforms and service models. This has helped us attract a wider range of new clientele as well as deepen our existing client collaborations through successive renewal and expansion of contractual arrangements. An example of this can be found in our research collaboration with BMS, which since fiscal 2009 has produced nine drug candidates for further study and helped BMS reduce time and costs associated with advancing new compounds to first-in-human studies. There are also other examples of projects that have grown in size and where our working relationships with our clients have become more strategic.

Our flexible business models allow us to meet the discovery and development needs of a wide range of clients, from small biotechnology companies to large pharmaceutical companies. Through more than 20 years of experience, we have developed significant expertise managing large integrated collaborations and executing complex projects. In addition, we have been able to take advantage of India's large, low-cost scientific talent pool to deliver our services to multinational companies at competitive rates, especially when compared with costs for comparable services in developed countries.

Attractive and diversified client base with several client collaborations

During the nine months period ended December 31, 2014, we serviced 195 clients including seven of the top 10 global pharmaceutical companies by sales for 2014. We have longstanding, extensive relationships with multinational clients such as BMS, Baxter, and Merck & Co, as well as emerging small- to mid-sized companies such as Achillion Pharmaceuticals, Inc., Aquinox Pharmaceuticals, Inc. and Saniona AB. We continually strive towards strengthening our client relationships by ensuring that our service offerings keep pace with our clients' requirements. For example, in fiscal 2009, we established a dedicated centre for BMS to support their R&D across multiple disciplines. Over time, this dedicated centre has become their largest R&D presence in Asia with

more than 400 scientists. The capabilities and therapeutic focus of this R&D centre have evolved in line with the shift in BMS' R&D strategy. BMS has also recently extended this engagement to 2020. Our integrated service offerings coupled with consistent performance and delivery has helped us continuously renew our client engagements as well. To illustrate, eight of our top 10 clients for the nine months period ended December 31, 2014 had been working with us for at least five years. Regardless of size, our clients seek innovative product development, superior quality and skilled scientific knowledge to support their R&D needs.

Commitment to protection of our clients' intellectual property and data confidentiality

Protection of intellectual property and data confidentiality is integral to the success of R&D outsourcing. Since our inception, we have made it a strategic priority to safeguard our clients' proprietary rights by using well-established and strictly enforced intellectual property protection procedures. We have a zero-tolerance policy for confidentiality breaches and data leakages. We implement this policy through a combination of solutions including technology, work-flow and information segregation as well as legal remedies. All our employees are required to sign non-disclosure agreements when they join our Company. Our entire physical infrastructure is access controlled, with access granted only on a need-to-work basis. Information regarding the projects being undertaken is segregated and shared on a need-to-know basis post discussions with our clients. Work flows are designed to minimise overlaps and sharing of information between various groups. Data sharing instruments such as USB drives, external email and cloud access are restricted and monitored vigilantly. Furthermore, each of our three long-term clients, BMS, Abbott and Baxter, have a dedicated, ring-fenced infrastructure with secured connectivity in addition to our Company-wide intellectual property protection protocols. This physical separation of client projects ensures enhanced security and protection of our clients' intellectual property. We have not experienced any material breach of confidentiality to date.

Financial stability and stable cash flows

Discovery and development is an extensive process which builds a composite of information drawn from multiple disciplines. Typically organisations that engage in outsourcing for discovery and development are looking for a long-term engagement where a CRO partner can support them through the entire process. We have the financial stability and steady operational cash flows to enable the extension of our platforms in line with the present and future needs of our clientele. Our long term collaborations with certain clients lead to predictable and stable cash flows. Our strong balance sheet and financial performance has helped us in reassuring clients that we will be able to support their NME development with dedicated investments in terms of both capabilities and capacities. Over the years, we have invested in specialised services and equipment and dedicated infrastructure to support these growing needs. Our ability to make these investments helps strengthen trust and engagement with our clients, which enhances our ability to retain them and extend our engagement across multiple platforms. As at March 31, 2014 and December 31, 2014, our Debt / Equity ratio was 0.23 and 0.23, respectively. For fiscal 2014 and the nine months period ended December 31, 2014, our EBITDA was ₹2,226 million and ₹2,071 million, respectively.

Strategies

Our Company's vision is to be a world-class partner delivering innovative and scientific solutions for our clients. Accordingly, the key components of our strategy to achieve this vision are as follow:

"Follow the molecule" by providing our clients with integrated services

We plan to build on our success in integrated services to "follow" our clients' molecules across discovery, development and manufacturing. We believe that we are well-positioned as a one-stop shop for our clients to advance their R&D programmes from the discovery stage through preclinical and clinical trials and, with our new planned manufacturing facilities to support them through the commercialisation process. For example, we have worked on several of our clients' molecules from lead selection stage through phase I clinical trials and beyond, providing services encompassing various multi-disciplinary activities such as drug substance process development and current Good Manufacturing Practices ("cGMP") compliant manufacturing (from gram scale to multi-kg scale), formulation and analytical development and stability studies.

Expand capabilities and capacities while enhancing efficiencies in R&D services

We are establishing new capabilities and augmenting our existing services across the discovery and development continuum in line with the changing requirements of the global R&D focussed industries. For

example, in 2009 we invested in biologics development capabilities in line with the increasing focus on large molecules by global organisations. We are now investing further in this area to drive our growth and capitalise on the changing pipeline mix of our clients. Additionally, we have invested in new capabilities such as the discovery and development of ADCs and oligonucleotides. We have also established a bio-analytical centre to undertake high-end analysis which supplements our clinical services.

We continuously invest in capacity augmentation. In September 2014, our new 75,000 sq. ft. stability centre became operational and our 200,000 sq. ft. R&D centre, which will service increased requirements for discovery chemistry, discovery biology and dedicated centres, is scheduled to become operational in fiscal 2016. We are also in the process of setting up additional capacities in formulation development and biologics manufacturing.

We continue to enhance operational efficiency and increase productivity by leveraging technology, enhancing physical infrastructure, and improving processes. We have recently implemented an enterprise-wide SAP platform to facilitate business growth through efficient use of resources, creation of synergies and monitoring of performance. We continue to evaluate other measures including high through-put automation technologies to enhance efficiencies and improve performance.

Scale-up our manufacturing capabilities

We intend to evolve from a CRO into a Contract Research and Manufacturing Services (“CRAMS”) organisation with commercial-scale manufacturing capabilities, as we leverage our existing relationships with clients and provide forward integration on the discovery and development continuum. We currently manufacture developmental batches of both small and large molecules to support clinical trials for multiple clients. In the area of small molecules, we have multiple client-programmes that are in late-stage clinical development. We intend to leverage our longstanding client relationships and our successful regulatory track-record, including with the FDA, to become a commercial manufacturing partner of these clients. We have recently entered into a long-term contract with an existing client for commercial manufacturing of a novel small molecule API, which is currently under late stage development. We also intend to attract new clients for commercial manufacturing opportunities.

We have commenced the process of establishing a new commercial-scale facility in Mangaluru to manufacture novel small molecules for innovator companies in pharmaceutical, agrochemical and other industrial sectors. We have also expanded our current small molecule manufacturing facilities in Bengaluru to meet the interim manufacturing needs of our clients. Additionally, we are in the process of expanding our large molecule manufacturing capabilities by establishing a new unit in Bengaluru.

Engage, expand and extend client collaborations

We have seen an increasing trend amongst multinational companies to limit their outsourcing activities to a select group of CROs. This select group of CROs tends to have a broad range of integrated capabilities enabling clients to deepen and strengthen their engagement across multiple services. (*Source: IQ4I Report*) We believe that this trend will become more prevalent across the biotechnology and pharmaceutical industries, and we believe our track record of success and growing integrated service platforms position us to take advantage of such opportunities.

We intend to further leverage our successful delivery, quality performance and track record of successful audits by regulatory authorities such as the FDA and EMA and our clients and intellectual property protection to strengthen our client relationships. We believe there are significant opportunities to expand and extend our current collaborations by expanding the range and depth of discovery and development solutions used by those clients. We intend to do this by offering additional tailored solutions to their R&D and commercial pipeline.

In order to ensure we provide the most value to our clients and pursue new opportunities, we intend to continue to follow a targeted account management strategy based on a partnering approach and focussing on growth potential. Targeted client engagement including personalised project managers and visits to our facilities by clients can help expand existing client collaborations and win new clients. We will continue to pursue opportunities to establish dedicated centres to meet our clients’ long-term discovery and development and manufacturing requirements.

While pharmaceutical and biotechnology companies will continue to remain our core client base, we intend to deepen our penetration in allied sectors. We intend to extend our core competencies of discovery and

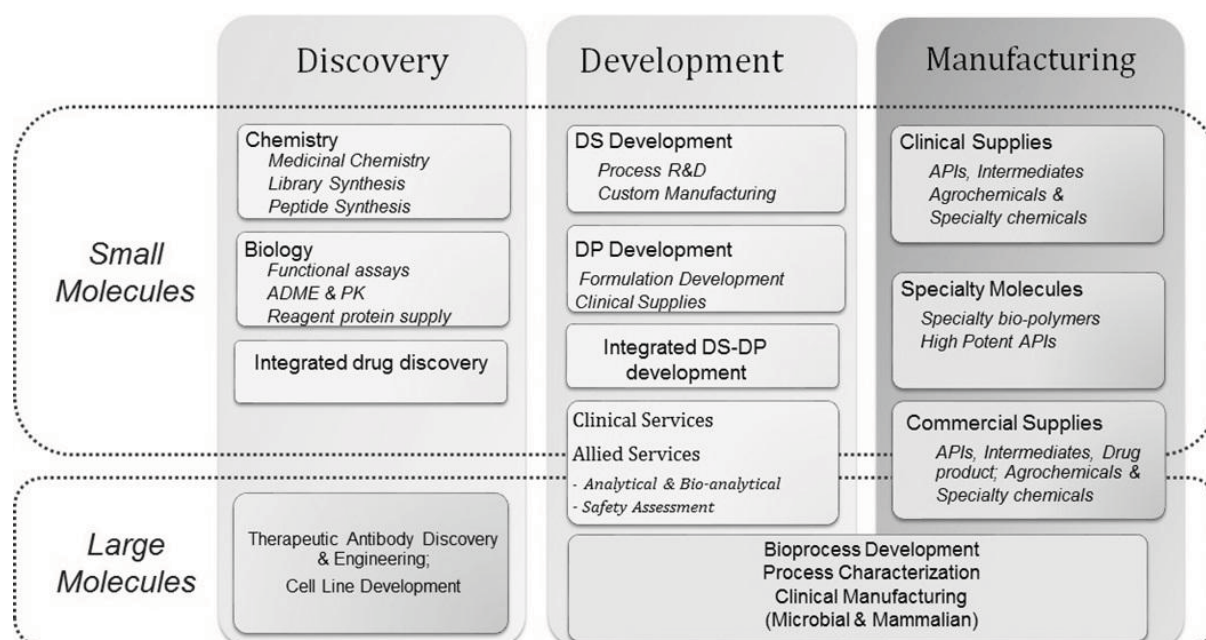
development of small and large molecules to support organisations across sectors which have similar R&D requirements. This will include sectors such as nutraceuticals, animal health, agro-chemicals, cosmetics and electronics.

Description of Our Service Platforms

Our core operations are grouped into the following service platforms:

- Discovery Chemistry
- Discovery Biology
- Chemical Development
- Formulation
- Safety Assessment
- Clinical Services
- Stability Services
- Large Molecule Development
- Manufacturing

The following chart depicts our comprehensive suite of discovery and development and manufacturing services:



Our service offerings initially consisted of simpler discovery chemistry and discovery biology services. As we established credibility and delivery track record on various technologies, we have expanded our offerings extensively across multiple service platforms in line with the changing requirements of the global pharmaceutical industry. We believe our clients value our ability to offer a wide breadth of quality services to meet their R&D needs, and we intend to continue to expand our service offerings in line with the evolving requirements of our clients in the future.

Discovery Chemistry

Discovery chemistry is the process of designing novel chemical entities with potential application across a wide variety of sectors. For example, a pharmaceuticals-focussed organisation would aim to discover molecules targeted at a specific disease area. The typical activities in this space are the generation of new chemical entities and their initial optimisation. We started offering these services in 1994 and have expanded our capabilities over time to a wide range of molecule classes and industries.

Today we service organisations across pharmaceutical, biotechnology, veterinary, agricultural, nutritional, cosmetic, flavours and perfumes, chemical, diagnostics and electronics industries. Our services now encompass

several principle compound classes including heterocyclic, natural products, saccharides, peptides and nucleosides. We work on the synthesis of molecules for integrated discovery and generation of compound libraries, reference standards, metabolites, impurities, surfactants, dyes and polymers. The synthesis of these compounds is supported by analytical laboratories which are equipped to purify and analyse them to ensure that they are at a predetermined purity level before they are tested in animals or *in vitro* cell systems for efficacy and safety.

Discovery Biology

Discovery biology supports both small and large molecule discovery research. In the case of small molecules, it plays an important role in target identification and validation, and participates in the lead selection process. On the other hand, for large molecules, the discovery biology team is responsible for therapeutic molecule generation, protein engineering, screening and lead selection. The lead selection process for both small and large molecules involves multiple evaluation parameters, with key inputs from drug metabolism and pharmacokinetics (“DMPK”) studies and *in-vivo* evaluation.

Starting from 1994, continuous investment in this space has resulted in the establishment of capabilities across multiple therapeutic molecule classes such as recombinant proteins, monoclonal antibodies and ADCs. We currently offer services in molecular biology, cell-line and antibody generation, protein sciences, assay biology, absorption, distribution, metabolism, and excretion (“ADME”) and crystallography in addition to DMPK and *in-vivo* pharmacology. These capabilities are supported by modern infrastructure and a scientific team with global experience.

In addition, discovery biology plays a significant role in development and supply of critical bio-reagents to support global discovery research for multiple clients. Furthermore, we have leveraged our technical expertise and knowledge to provide innovative solutions for research in agricultural, nutraceutical and cosmetic industry.

Chemical Development

The chemical development platform supports the development of a process for manufacturing of small molecule, facilitating an NME’s transition from the laboratory to a manufacturing setup based on increasing volumes. We started offering these services in 2001, and today have comprehensive offerings in the space of NME drug substance development. We offer services that help clients develop NME manufacturing processes which are scalable, robust, reproducible, safe and efficient. This includes the synthesis of novel molecules from gram stage (in research labs) to several hundred kg (in manufacturing facilities).

This transition is unique for each molecule, with its own set of challenges. We draw upon various technologies and analytical methods to support this process. Our current process R&D capabilities include process design and optimisation, scale up, engineering studies, process hazard evaluation studies, design of experiments, particle engineering, flow chemistry, polymorph and salt screening, and process automation. All of these activities include the principles of “Quality by Design” to ensure that our clients have an optimal, safe, cost effective and robust process to support the clinical development and eventual commercial manufacturing of their molecule.

We have non-GMP and cGMP capabilities to support scale-up studies and pre-clinical supplies and our facilities are versatile and flexible to accommodate a variety of process needs in terms of operating parameters, type of chemistry and size and type of process equipment.

Formulation

As a molecule moves forward through the discovery and development continuum towards clinical evaluation in humans, a drug substance has to be converted to a drug product (also known as a formulation), which is customised to the specific mode of administration. Typically, molecules have simpler formulations when they are being tested at preclinical and phase I stage. The final formulation evolves along with the clinical development phase, and gets further optimised as the molecule moves towards commercialisation.

We forayed into this space in 2010 and currently offer a broad spectrum of formulation development capabilities for early as well as late phase formulation projects. These capabilities include pre-formulation studies, toxicology, formulation development, and early and late phase clinical formulation development. Our capabilities span across various types of formulations including oral solids (tablets, capsules, drug-in-capsule), oral liquids (solutions and suspensions), injectables (solutions and lyophilised), and modified release oral dosage

forms (functionally coated mini-tablets, drug layered beads as well as matrix tablet formulations). Our topical formulation development capabilities include gels and polymeric films.

Our cGMP pilot scale manufacturing facility for solid orals supports scale-up activities, process development and manufacture of clinical supplies. Our facility has obtained a cGMP certification from the Drug Controller General of India (“DCGI”) and has been successfully audited and inspected for quality and safety by various clients. We are now investing in capacity augmentation for this service platform in Bengaluru.

Safety Assessment

The main objective of our safety assessment department is to assess the hazard potential of drugs and other products in animals and *in vitro* cell systems which are used as surrogate species for extrapolation of data to humans. These activities are part of the pre-clinical studies conducted to determine the suitability of a drug before they are tested in humans. Similar studies are also conducted to assess the safety of pesticides, food additives, cosmetics and other chemicals. All toxicology studies intended for registration purposes must be conducted under GLP.

We set up our vivarium in 2009 in line with the growing requirement of our clientele. Our vivarium is AAALAC accredited and has a dedicated GLP section for regulatory toxicology studies in addition to a dedicated non-GLP area for discovery, disease models (pharmacology), drug metabolism and pharmacokinetic studies. Safety assessment, or toxicology studies, in animals span several disciplines (safety pharmacology, general toxicology, genetic toxicology, reproductive toxicology, behavioural toxicology, immune-toxicology and carcinogenicity). Currently, we have the capability to conduct studies in rats, mice, rabbits, and guinea pigs using a variety of routes to simulate human use conditions.

Clinical Services

Clinical services encompass a broad range of activities most notably clinical trials, BA/BE studies, bio-analytical testing, central lab services, medical writing, biostatistics and data management services, and pharmacovigilance services. We have historically conducted these services through our subsidiary, Clinigene. Clinigene was set up in 2000 and as of April 1, 2014 it has been amalgamated with us pursuant to a court-approved scheme.

We offer full-service solutions for clinical development of drugs, nutraceuticals and medical devices. Our clinical trial services encompass phase I-IV clinical trials in patient populations at hospital sites across India. Our human pharmacology unit conducts phase I trials and BA/BE studies in healthy volunteers. Our central laboratory provides services exclusively for clinical research. We also provide bio-analytical services to support preclinical and clinical development programs of small molecules and large molecules. Our bio-analytical lab is GLP-compliant, and specialises in immunogenicity and pharmacokinetic analysis of biologics such as monoclonal antibodies, recombinant proteins, enzymes, biomarkers and cytokines. Our facilities have been inspected by several regulatory agencies such as the FDA and EMA.

Stability Services

Stability testing forms an integral part of the drug development process which helps establish the shelf life of the product. These studies are conducted as per the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (“ICH”) stability guidelines. The API and formulation of every NME that goes through the development continuum are required to be placed on stability to assess their stability. The purpose of stability testing is to provide evidence on how the quality of an API and formulation varies with time under the influence of a variety of environmental factors such as temperature, humidity, and light, and to establish a shelf life and recommended storage conditions. The design of the stability-testing programme takes into account the intended market and the climatic conditions in the area in which the product will be used. This is accomplished by placing samples of API and formulations in stability chambers with variety of light, temperatures and humidity conditions. At pre-determined time intervals, samples are pulled out of stability chambers for analytical testing to determine their stability. This data is generated over a typical timeframe of two to three years and is used to define the shelf life and the recommended storage condition for that product.

Our Company has recently established a stability centre aimed at providing services supporting early stage (IND stability) to commercial stability studies. This stability centre is a multi-product GMP facility spread over 75,000 sq. ft. across three floors.

Large Molecules Development

The large molecules development platform supports the development of a process for manufacturing of a novel biological entity as it transitions from the laboratory to a manufacturing set-up based on increasing volumes. We started offering these services in 2009, and today have comprehensive offerings in the space of biologics drug substance development.

We offer services in end-to-end early stage development (from DNA to IND), early and late stage process development and optimisation, product testing and characterisation, as well as technology transfer, scale-up and manufacturing of clinical supplies. Our experience range includes development of monoclonal antibodies, glycoproteins, sub-unit and complex proteins, and conjugated proteins in E. coli, Chinese Hamster Ovary (“CHO”) and pichia platforms.

Our multi-product manufacturing facility is designed to allow for capacity and technological flexibility, for optimal personnel and product flow, as well as regulatory compliance. This includes two separate suites for manufacturing, one each for mammalian cell culture and microbial production, each with its own separate upstream and downstream areas. We have stringent quality control and assurance systems in place to ensure a strong control on the operations. We have been audited by several large and mid-size pharmaceutical clients along with regulatory authorities and third party consultants. We are now investing in capacity augmentation for this service platform in Bengaluru.

Manufacturing

A successful discovery and development process culminates into the commercialisation of the molecule for the targeted application. However, this stage is underpinned by the performance of the drug in clinical trials. The drug supplies needed to support these trials are known as developmental supplies and have to be produced in a cGMP facility. The volumes needed to support the clinical trials and subsequent commercialisation gradually increase over time in line with the molecule’s progress. Typically, the volumes required to support the commercial launch are significantly higher than the quantities needed during the development phase. A subsequent ramp up in volumes however is contingent on the market response to the molecule.

Over the years, a number of our clients’ programmes have progressed through the development phase where we have gained significant process knowledge and experience by conducting process development and optimisation activities for these molecules. We believe this would typically make us a partner of choice to manufacture developmental batches and large-scale commercial supplies of these molecules if and when they are commercialised. We are currently supporting multiple novel molecules for late stage development and we believe that some of these molecules could help our foray into commercial scale manufacturing.

We have recently invested in capacity expansion of our small molecule manufacturing facility to support the ongoing late stage development programs of our clients. We believe that this capacity augmentation will be able to support the initial commercial launch volumes. We are also investing in a green field commercial scale manufacturing facility to be set up in Mangaluru to support additional volumes as may be required.

Our facilities have cGMP certification from the DCGI and have been successfully audited and inspected for quality and safety by various clients. In October 2014, we successfully cleared a FDA pre-approval inspection of one of our facilities. We believe that this approval is a validation of our quality systems that support cGMP manufacturing processes.

Dedicated Centres

We have entered into certain long term client contracts, usually five years or longer, and as part of these long-term collaborations, we often set up a dedicated, customised and ring-fenced infrastructure in line with our client’s requirements. These dedicated centres are generally multi-disciplinary, FTE-based engagements which support the R&D requirements of our clients. Our clients may also fund the purchase of certain assets related to these long-term collaborations. While these assets are reflected in our financial statements and remain the

property of our Company during the term of our engagement, the client may take-over these assets upon the termination of the engagement.

Our first dedicated centre was set up for BMS in 2009 and engages over 400 of our scientists. We have recently extended the BMS dedicated centre engagement to 2020. In addition, in 2012, we set up a dedicated research centre for Abbott and a dedicated research centre for Baxter in 2013. The Abbott Nutrition R&D centre (“ANRD”) engages about 30 of our scientists focused on maternal, paediatric, neo-natal nutrition and diabetes care in line with emerging market needs. The Baxter Global Research Centre (“BGRC”) has a multi-disciplinary team of about 150 of our scientists who work on product and analytical development, preclinical evaluation in parenteral nutrition and renal therapy.

We expect to continue to set up dedicated research centres in response to our clients’ needs.

Contractual Arrangements

We are generally awarded projects based upon our responses to requests for proposals received from organisations across R&D focussed sectors, not-for profit groups and academic and government organisations, and medical device industries, as well as work orders executed under our long-term collaboration agreements.

We have both long-term and short-term FTE contracts. In our FTE contracts, we typically bill based on the number of scientists deployed. In our long-term contracts our clients agree to a minimum utilisation of a specified number of scientists, which we dedicate to that client’s work. The scope of services and deliverables under FTE contracts generally evolves over time. We also agree to absorb a certain quantum of material costs in our FTE contracts, and then charge any additional spends on materials to our client. Our FTE contracts are generally renewable annually.

Our FFS contracts are short-term in nature. In FFS contracts, we generally agree to fixed prices for agreed services within a defined scope. While we may seek additional payments for work required outside the defined scope, we bear the risk of cost overruns for work within the scope.

Generally, our contracts are terminable by the client upon written notice of 30 to 90 days or such other period as may be agreed for a variety of reasons, including changes in regulatory or global standards, a consolidation or merger of the client, the client’s decision to forgo a particular study, the failure of drugs to satisfy efficacy and/or safety requirements, unexpected or undesired results of drug testing, the performance of our Company or the decision of the client to move their business to a different CRO. We are generally able to recover, at minimum, our invested costs when contracts are terminated. These contracts often require payment to us of expenses to wind down a study or project, payment to us of fees earned to date, and, in some cases, a termination fee.

We usually price contracts in U.S. dollars and incur costs, including employee and a significant portion of our material costs relating to those contracts, in Indian Rupees. We generally hedge our future revenues through a combination of hedging instruments including puts options and range forwards. Our hedging policy has migrated from instruments like forwards to plain puts and range forwards, mainly to reduce volatility.

Clients and Suppliers

During the nine months period ended December 31, 2014, we serviced 195 clients including seven of the top 10 global pharmaceutical companies by sales for 2014. (*Source for top 10 global pharmaceutical companies by sales for 2014 — IMS Health MIDAS, December 2014*) We have longstanding, extensive relationships with large multinational organisations as well as emerging small-to mid-sized companies.

Eight of our top 10 clients for the nine months period ended December 31, 2014 had been working with us for at least five years. Further, among the majority of our clients, revenue is diversified by multiple projects for a variety of compounds.

We rely on third party domestic and international suppliers for certain chemicals and equipment as well as support services, including the procurement, handling and transportation of animals for our research services.

Our Facilities

Our Registered Office is located in Bengaluru and we currently conduct our laboratory and manufacturing activities at two primary facilities which we lease from our Promoter, Biocon.

- Biocon SEZ, Biocon Park, Plot No. 3, 4 and 5 Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bengaluru; and
- Plot number 113/C2, Bommasandra Industrial Area, Bengaluru.

We conduct our clinical trials on a property owned by us located at Semicon Park, Tower – I, Electronic City Phase II Industrial Area, Bengaluru.

In addition, we have entered into a utility service agreement with our Promoter, Biocon, pursuant to the terms of which, Biocon supplies us utility services such as water, steam, nitrogen as well as provides services like sewage and effluent treatment and security services.

We are in the process of setting up a manufacturing facility in Mangaluru to manufacture novel small molecules for companies in pharmaceutical, agrochemical and other industrial sectors. In December 2014, we entered into a memorandum of understanding (“MoU”) with Mangalore SEZ Limited (“MSEZL”), a private company that is developing the Mangalore SEZ and has acquired land from the Karnataka Industrial Areas Development Board. Pursuant to the terms of the MoU, we will enter into a lease deed with MSEZL within nine months from the date of the MoU or within two months from the date of receipt of the letter of approval for the grant of SEZ co-developer status to us. According to the MoU, the lease will be for a term up to January 26, 2060 with the option of a subsequent renewal. As of December 31, 2014, we have made payments of ₹53 million under this MoU. MSEZL will also provide operations and maintenance services. In January 2015, we submitted an application to the Development Commissioner of the Mangaluru SEZ for granting our Company co-developer status in order to establish a commercial-scale API manufacturing facility in Mangaluru, which was approved on March 17, 2015.

We believe that our properties, taken as a whole, are in good operating condition and are suitable for our business operations.

Sales and Marketing

Our client engagement typically begins with a single service and we work towards expanding our offerings in other areas of the discovery and development continuum to support various molecules in their development pipelines. This transition of our client engagement from a single service (component play) to a set of services (cluster play) to an integrated play where we engage the client across multiple platforms or stage of development is integral to our strategy of strengthening relationships. We also set up dedicated centres for our clients which are customised to their specific requirements. This evolution of our client relationship from component to cluster to integrated to a dedicated play is typically accompanied by a shift in focus from cost arbitrage to R&D productivity to innovation as the client gains more confidence in our ability to deliver and support them through their discovery and development process.

We employ a team of business development sales representatives and support staff that promote, market and sell our services to life sciences companies primarily in North America, Europe and Japan. In addition to significant marketing and business development experience, many of these individuals have technical and/or scientific backgrounds.

Our business development team works with our senior executives, functional heads and project team leaders to maintain key client relationships and engage in business development activities. For many of our large client relationships, we have strategic account management teams to provide clients with a single point of contact to support delivery, cultural and process integration and to facilitate integrate opportunities.

Competition

The R&D outsourcing industry consists of a number of full-service global CROs and numerous other small, limited-service providers based out of India, China, Eastern Europe and developed country markets. Some of

our competitors have a much broader portfolio of business, greater resources and more experience than us. In addition to competing with a number of global, full-service companies and smaller providers, we also face competition from captive R&D centres, as well as universities. Newer, small entities with speciality focuses, such as those aligned to a specific disease or therapeutic area, also compete aggressively for clients.

CROs compete on the basis of a number of factors, including reliability, past performance, expertise and experience in specific therapeutic areas, scope of service offerings, infrastructure, track record of intellectual property protection, strengths in various geographic markets, technological capabilities and price. Although there can be no assurance that we will continue to do so, we believe that we compete favourably in these areas. If in the future we are unable to effectively compete in these areas, we could lose business to our competitors which could harm our operating results.

Intellectual Property

Protection of our clients' intellectual property is critical to our business. In our business of providing R&D services, our clients generally retain ownership of all associated intellectual property, including those they provide to us and those arising from the services we provide. Our success therefore depends in substantial part on our ability to protect the proprietary rights of our clients. Since our inception, we have made it a strategic priority to safeguard our clients' proprietary rights.

We adopt several measures to protect the intellectual property of our clients. As one aspect of our system of protecting intellectual property rights, including our clients' and our own, we enter into agreements with all our employees, under which all intellectual property arising from the activities conducted by them during their employment belongs to us, and our employees waive all relevant rights or claims to such intellectual property. Furthermore, our service agreements provide that all intellectual property generated during the course of a project is exclusively the property of the client for whom we are conducting the project. All our employees are also bound by confidentiality obligations and are required to maintain confidentiality of the data generated by them.

Despite measures we take to protect intellectual property of our clients or our own, unauthorised parties may attempt to obtain and use information that we regard as proprietary. See "Risk Factors — General Risks Related to Our Business — If we fail to protect the intellectual property rights of our clients, we may be subject to liability for breach of contract and may suffer damage to our reputation" on page 18. To date, we are not aware of any such breaches. We rely upon a combination of confidentiality policies, nondisclosure agreements and other contractual arrangements to protect our trade secrets, and copyright and trademark laws to protect intellectual property rights.

For details of intellectual property owned by us, please see the section "Government Approvals" on page 231.

Employees

As of February 28, 2015, we had 2,667 full-time employees, including 2,096 scientists, which term is defined to include our employees in technical roles whose highest educational degree is in the sciences (Chemistry, Biology and related areas). As of February 28, 2015, 259 scientists held Ph.Ds and 1,661 scientists held Master's degrees. We do not have any employees that are covered by a collective bargaining agreement, and we believe our overall relations with our employees are good.

Our scientists and technical staff collectively possess expertise in variety of disciplines supporting life-sciences based discovery and development to make the services we provide increasingly valuable to our current and potential clients.

The level of competition among employers in India for skilled personnel is high. We believe that our brand recognition is an advantage in attracting qualified candidates. In addition, we believe that our wide range of service offerings allows us to offer broad experience to our scientists.

Indemnification and Insurance

We may be held liable for errors or omissions in connection with the discovery and development and manufacturing services we perform. It is possible that we could be held liable for claims and expenses arising

from any professional malpractice of the scientists with whom we contract or employ, or in the event of personal injury to or death of persons.

In the normal course of business, we enter into agreements with our clients that incorporate indemnification provisions. We typically seek to limit our indemnification, where possible, by limiting the amount payable and limiting the scope of our indemnification, under our contracts with clients. However, contractual arrangements are subject to negotiation with clients, and the terms and scope of any indemnification, limitation of liability or exclusion of liability may vary from client to clients and based on the type of services.

While we maintain liability insurance that covers the locations in which we currently do business, it is possible that we could become subject to claims not covered by insurance or that exceed our coverage limits. We could be materially and adversely affected if we were required to pay damages or bear the costs of defending any claim that is outside the scope of, or in excess of, a contractual indemnification provision, beyond the level of insurance coverage or not covered by insurance, or in the event that an indemnifying party does not fulfil its indemnification.

We currently maintain an industrial all risks policy, which covers our building, plants and machinery against fire, earthquake and other disasters and also covers against burglary, theft and riot and vehicular insurance. We also maintain an insurance policy under the Public Liability Insurance Act, 1991 and clinical trials insurance which indemnifies us against any adverse drug reactions including diseases, injury or death of a research subject and damage to third party property. We have a marine insurance policy which covers movement of goods in transit. In addition, we maintain commercial general liability coverage and terrorism insurance coverage to protect us against losses. We have obtained directors' and officers' liability cover. We also maintain group term life, health and personal accident insurance policies, which cover medical expenses, disability, and life insurance for employees and dependents.

Environmental Regulation and Liability

We are subject to various laws and regulations relating to the protection of the environment and human health and safety in all of the countries in which we do business, including laws and regulations governing the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites and the maintenance of a safe workplace. Our operations include the use, generation, and disposal of hazardous materials and highly regulated medical wastes.

Legal Proceedings

We are party to legal proceedings incidental to our business. While our management currently believes that the ultimate outcome of these proceedings, individually and in the aggregate, will not have a material adverse effect on our financial statements, litigation is subject to inherent uncertainties. Were an unfavourable ruling to occur, there exists the possibility of a material adverse impact on our financial condition and results of operations. For details, see the section "Outstanding Litigation and Material Developments" on page 211.

REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations applicable to our Company. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

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.

Key regulations applicable to our Company

The Special Economic Zones Act, 2005 and Special Economic Zone Rules, 2006

Special Economic Zones (“SEZs”) are established, regulated and governed by the Special Economic Zones Act, 2005, as amended (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 foreign territory 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 Special Economic Zone Rules, 2006 (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 and concessions, 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. There is no specially earmarked zone under the EOU scheme and an EOU may be set up anywhere in India subject to operation under the customs bond. They are typically required to fulfill certain criteria such as achievement of positive net foreign exchange over a period of five years. EOUs are units which must export their entire production. 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. EOUs are deemed to be “Private Custom Bonded Warehouses” under section 58 and 65 of the Customs Act.

Drugs (Control) Act, 1950 (“Drugs Act”)

The Drugs Act provides for the control of the 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”)

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA Rules specifies the requirement of a license for the manufacture of any drug or cosmetic including for the purpose of examination, testing or analysis are required to obtain necessary consent. 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.

According to the DCA Rules, human clinical trials are conducted in four sequential phases that may overlap under some circumstances:

- **Phase I:** The objective of phase I of trials is the estimation of safety and tolerability with the initial administration of an investigational new drug into human(s). Studies in this phase of development usually have non-therapeutic objectives and may be conducted in healthy volunteers subjects or certain types of patients. Drugs with significant potential toxicity e.g. cytotoxic drugs are usually studied in patients. Phase I trials should preferably be carried out by investigators trained in clinical pharmacology with access to the necessary facilities to closely observe and monitor the subjects.
- **Phase II:** The objective of phase II of trials is to evaluate the effectiveness of a drug for a particular indication or indications in patients with the condition under study and to determine the common short-term side-effects and risks associated with the drug. Studies in phase II should be conducted in a group of patients who are selected by relatively narrow criteria leading to a relatively homogeneous population. These studies should be closely monitored. An important goal for this Phase is to determine the dose(s) and regimen for phase III trials. Doses used in phase II are usually (but not always) less than the highest doses used in phase I.
- **Phase III:** The purpose of these trials is to obtain sufficient evidence about the efficacy and safety of the drug in a larger number of patients, generally in comparison with a standard drug and/or a placebo as appropriate. These trials may be carried out by clinicians in the concerned therapeutic areas, having facilities appropriate to the protocol. If the drug is already approved/marketed in other countries, phase III data should generally be obtained from at least 100 patients distributed over three to four centres primarily to confirm the efficacy and safety of the drug, in Indian patients when used as recommended in the product monograph for the claims made. If the application is for conduct of clinical trials as a part of multi-national clinical development of the drug, the number of sites and the patients as well as the justification for undertaking such trials in India shall be provided to the licensing authority
- **Phase IV:** Post Marketing trials are studies (other than routine surveillance) performed after drug approval and related to the approved indication(s). These trials go beyond the prior demonstration of the drug's safety, efficacy and dose definition. These trials may not be considered necessary at the time of new drug approval but may be required by the licensing authority for optimizing the drug's use. They may be of any type but should have valid scientific objectives. Phase IV trials include additional drug-drug interaction(s), dose-response or safety studies and trials designed to support use under the approved indication(s), e.g. mortality/morbidity studies, epidemiological studies etc.

Ethical Guidelines for Biomedical Research on Human Participants, 2006 ("ICMR Code")

The Indian Council of Medical Research has issued the ICMR Code which envisages that medical and related research using human beings as research participants must, necessarily, *inter alia*, ensure that the research is conducted under conditions in a manner conducive to and consistent with their dignity, well being and under conditions of professional fair treatment and transparency. Further such research is subjected to evaluation at all stages of the same.

As required by the ICMR Code, it is mandatory that all proposals on biomedical research involving human participants should be cleared by an appropriately constituted institutional ethics committee ("IEC") to safeguard the welfare and the rights of the participants. The IEC should have a maximum strength of 8 to 12 persons with the chairman being preferably from outside the institution so as to maintain independence of the committee. The other members should be a mix of medical, non-medical, scientific and non-scientific persons including lay public to reflect the differed viewpoints.

These ethics committees are entrusted not only with the initial review of the proposed research protocols prior to initiation of the projects but also have a continuing responsibility of regular monitoring of the approved programmes to foresee the compliance of the ethics during the period of the project. Such an ongoing review have to be in accordance with the international guidelines wherever applicable and the Standard Operating Procedures of the World Health Organization.

The ICMR Code also provides that the human participants may be paid for the inconvenience and time spent, and should be reimbursed for expenses incurred, in connection with their participation in the research. They may also receive free medical services. During the period of research if any such participant requires treatment for complaints other than the one being studied necessary, free ancillary care or appropriate treatments may be

provided. However, payments should not be so large or the medical services so extensive as to make prospective participants consent readily to enroll in research against their better judgment, which would then be treated as undue inducement.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“Narcotic Act”)

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Subsequently, the Narcotic Act was amended in 2014 to remove restrictions on certain drugs called ‘essential narcotic drugs’ and to improve treatment and care for people dependent on drugs.

The Poisons Act, 1919 (the “Poisons Act”)

The Poisons Act restricts the use of poisons and these include aconite, arsenic, morphine, heroin, essential oils of almonds, oxalic acid, poppies, chloroform, zinc chloride, etc. The Poisons Act empowers the Central Government to prohibit the importation into India across any customs frontier defined by the Central Government of any specified poison and regulate the grant of licenses.

Prevention of Cruelty to Animals Act, 1960 (“PCA Act”) and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998 (the “Breeding Rules”)

The PCA Act envisages preventing infliction of unnecessary pain or suffering on animals and amending the laws relating to the prevention of cruelty to animals. The Act also provides for the constitution of an Animal Welfare Board to take care of the welfare of the animals in general, and also provides that the Animal Welfare Board constitute a Committee for the Purpose of Control and Supervision on Experimentation with Animals (“CPCSEA”). This committee is empowered to regulate the legal and ethical aspects of experimental animals being used in research and enact preventive measures wherever there is violation of the law.

The PCA Act renders legality to the performance of experiments (including experiments involving operations) on animals for the purpose of advancement by new discovery of physiological knowledge or of knowledge which shall be useful for saving or for prolonging life or alleviating suffering or for combating any disease, whether of human beings, animals or plants. However, the CPCSEA is entrusted with the duty to monitor the experiments on animals through an Institutional Animals Ethics Committee and ensure taking all such measures as may be required so that unnecessary pain or suffering is not meted out to animals being subjected to the experiments.

The PCA Act also provides that that in cases where experiments are performed in any institution, the responsibility for performing the experiments with due care and humanity and under the influence of some anesthetic of sufficient power to prevent the animals feeling pain, is placed on the person in charge of the institution and that, in cases where experiments are performed outside an institution by individuals, such individuals are qualified in that behalf and the experiments are performed on their full responsibility.

The Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998 (the “Breeding Rules”), issued under the PCA Act, provides that no establishment shall carry on the business of breeding of animals or trade of animals for the purpose of experiments unless it is registered under the PCA Act. Every such registered establishment has to maintain a register as per the specified format and record complete particulars about the kind of animal to be used for conducting any experiment, the health of the animal, the nature of experiment to be performed, and the reasons necessitating the performance of such an experiment on particular species.

The Institutional Animals Ethics Committee, established under PCA Act is entrusted with the control and supervision of experiments on animal performed in an establishment which is constituted and operated in accordance with procedures specified for the purpose by the CPCSEA. Any registered establishment, before acquiring an animal or conducting any experiment on such animal, has to apply for permission of the CPCSEA or the Institutional Animals Ethics Committee.

Atomic Energy Act, 1962 (“Atomic Energy Act”) and Atomic Energy (Radiation Protection) Rules, 2004 (“Atomic Energy Rules”)

The Atomic Energy Act, *inter alia*, mandates that no minerals, concentrates and other materials which contain prescribed substances be disposed of without the previous permission in writing of the Central Government. Further, the Atomic Energy Act provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the Atomic Energy Act that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance except under a license granted by it to that effect.

Pursuant to the provisions of the Atomic Energy Act, the Central Government has framed the Atomic Energy Rules, which apply to practices adopted and interventions applied with respect to radiation sources. The Atomic Energy Rules prescribe guidelines such as license for carrying out activities relating to radiation, specifies procedure for obtaining licenses, exemptions, etc. and requirements for radiation surveillance, health surveillance etc.

Radiation Protection Rules, 1971 (“Radiation Rules”)

The Radiation Rules provide that all persons handling radioactive material need to obtain a license from a competent authority. It stipulates that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner otherwise specified in the license and that every employer must designate a “Radiological Safety Officer” and maintain records with respect to every such radiation worker in the manner prescribed in the Radiation Rules.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Radiation Surveillance Procedures”)

The Radiation Surveillance Procedures have been notified in pursuance of rule 15 of the Radiation Rules. In terms of the Radiation Surveillance Procedures, employers have to ensure that all procedures and operations involving radiation installations, radiation equipment and radioactive materials are performed in conjunction with a pre planned surveillance programme approved by the competent authority so as to ensure adequate protection. The Radiation Surveillance Procedures also provide for licensing of radioactive equipment and maintenance of records.

Lift Rules

We are subject to the registration and licence requirements and safety rules and regulations framed by the state governments of Karnataka under Karnataka Lifts Act, 1974 and the Karnataka Lift Rules 1976.

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 for commercial purposes as a trade description. 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.

Foreign regulations applicable to our Company

Our Company is, or is expected to be, subject to regulation, principally through inspections, by the FDA and the EMA and the National Competent Authorities (“NCA”) in respect of its services as detailed below:

- chemical development: small molecule manufacturing and testing;
- biologics: large molecule manufacturing and testing;
- formulation: formulation development and testing; and
- dedicated research centres that we establish for our clients, including Abbot, BMS and Baxter.

The FDA and EMA are responsible for coordinating inspections on behalf of their respective agencies in connection with the assessment of marketing authorisation applications, marketing authorisation renewals or referrals. These inspections may cover:

- Good Manufacturing Practice (GMP);
- Good Clinical Practice (GCP);
- Good Laboratory Practice (GLP); or
- Good Pharmacovigilance Practice (GVP).

Inspections aim to verify specific aspects of the clinical or laboratory testing of a medicine, its manufacture or control, or to ensure compliance with GMP, GCP, GLP or GVP. Inspections may be routine or may be triggered by issues arising during the assessment of the dossier or by other information such as previous inspection experience. They are usually requested during the initial review of a Marketing Authorisation Application, but could arise post-authorisation.

FDA

FDA is an agency within the U.S. Department of Health and Human Services (“HHS”), the principal U.S. agency for protecting the health of all Americans and providing essential human services. FDA is responsible for protecting the public health in the United States by assuring that human and veterinary drugs, vaccines and other biological products and medical devices intended for human use are safe and effective. All drugs approved in the United States, regardless of where they are made, must be in compliance with the Federal Food, Drug, and Cosmetic Act (the “Act”), which requires that drugs meet manufacturing standards to assure quality and product label requirements. Domestic and foreign facilities are inspected for compliance with applicable regulations, including GMP, GCP, and GLP.

In furtherance of these objectives for drugs that are distributed within the U.S., FDA may conduct an inspection of a company’s research, development or manufacturing operations for a variety of reasons, such as a routinely scheduled investigation, a survey, or in a response to a reported problem. Refusing or delaying an inspection can have consequences. Section 707 of the Food and Drug Administration Safety and Innovation Act (“FDASIA”) added 501(j) to the Act to deem adulterated a drug that “has been manufactured, processed, packed, or held in any factory, warehouse, or establishment and the owner, operator, or agent of such factory, warehouse, or establishment delays, denies, or limits an inspection, or refuses to permit entry or inspection.” FDA has issued guidance that defines the circumstances that would constitute delaying, denying, or limiting inspection, or refusing to permit entry or inspection, for purposes of section 501(j).

FDA will typically inspect one or more clinical sites to assure compliance with GCP before approving an NDA. Failure to comply with GCP may result in the FDA putting a clinical trial on hold or stopping a clinical trial. FDA also will inspect the facility or the facilities at which the product is manufactured before the NDA is approved. The FDA will not approve the product unless GMP compliance is satisfactory. FDA also may take into account results of inspections performed by certain counterpart foreign regulatory agencies in assessing compliance with GCP or GMP; FDA has entered into international agreements with foreign agencies, including the EMA, to facilitate such information sharing. If FDA determines the contents of the application, the manufacturing process, or the manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of additional information to remedy the noted deficiencies, FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

FDA approaches inspections at foreign drug facilities in the same manner as domestic U.S. inspections; however, an FDA inspection of a facility outside the U.S. will be pre-announced and scheduled with the establishment to be inspected. During the inspection, inspectors typically tour the company’s drug manufacturing facility and examine its cGMP processes by interviewing employees and reviewing documentation and records. Inspection teams typically evaluate documented product complaints, process failures, product failures, failures in laboratory tests, process changes, and investigations of any batches requiring rework or reprocessing. FDA may concentrate on particular systems depending on the type of facility, e.g., environmental monitoring in facilities with aseptic processing.

At the conclusion of the on-site inspection, investigators typically present findings verbally to company management and discuss the observed objectionable conditions and practices on Form 483. The “483s” are inspectional observations, and do not represent a final FDA determination regarding the site’s compliance with

cGMPs. Companies provide a formal response to the 483s, although they are not regulatory obligated to do so. A company's response, which may indicate that the objectionable conditions and practices have been or will be corrected, is intended to avoid an FDA decision to pursue further action against the company, such as an untitled letter or a Warning Letter.

A Warning Letter is the FDA's principal means of achieving compliance with the Act, and gives individuals and firms an opportunity to take voluntary and prompt corrective action before FDA initiates an enforcement action. FDA issues Warning Letters for violations of regulatory significance and to establish prior notice. Authorized FDA officials may issue Warning Letters to foreign producers of FDA-regulated products based on establishment inspections or other information. FDA-issued Warning Letters, with redactions to remove confidential information, are posted on FDA's Warning Letters internet page. FDA uses Untitled Letters for violations that are not as significant as those that trigger warning letters. Unlike a Warning Letter, an Untitled Letter does not include a statement warning that failure to promptly correct a violation may result in an enforcement action.

FDA has authority to take both administrative and judicial enforcement actions to protect the public from dangerous and illegal products, to punish persons and companies who violate the law, and to deter violations. Administrative actions include product recalls, debarment of individuals or companies who have been convicted of felonies, withdrawals of product approvals, license revocations, and disqualification of clinical investigators. Judicial actions include seizures of violative products, injunctions, criminal prosecutions, and certain civil money penalties. FDA need not issue a Warning Letter as a prerequisite to taking enforcement action.

FDA prohibits persons debarred under the FDCA from providing services in any capacity to a person that has an approved or pending drug product application. The NDA applicant must submit a certification regarding debarment. The FDCA also authorizes FDA to seek civil penalties for violation of this prohibition, from both the firm who uses the services of a debarred individual and from the individual.

EMA and NCAs

The EMA is an agency of the European Union ("EU"), based in London. The EMA's main responsibility is the protection and promotion of public and animal health, through the evaluation and supervision of medicines for human and veterinary use. The EMA is responsible for the scientific evaluation of applications for EU marketing authorisations for human and veterinary medicines in the centralised procedure. Under the centralised procedure, which is mandatory for certain categories of medicines, pharmaceutical companies submit a single marketing-authorisation application to the EMA. Once granted by the European Commission, a centralised marketing authorisation is valid in all EU Member States, as well as in the European Economic Area ("EEA") countries. Where the centralised procedure is not mandatory, pharmaceutical companies can use national authorisation procedures, including the decentralised and mutual recognition procedures (commonly referred to as the national authorisation procedures). National Competent Authorities, such as the UK's Medicines and Healthcare Products Regulatory Agency ("MHRA"), are responsible for approving medicines in such procedures.

NCAs have the power to conduct inspections of a company's research, development or manufacturing operations, with respect to both nationally and centrally authorised products. Specifically with respect to centrally authorised products, it is common practice for inspections to be conducted jointly by the EMA and the NCAs. The EMA and the NCAs also have the power to conduct joint inspections in facilities located in countries located outside the EU. Following an inspection, inspectors provide a written inspection report to the inspected site or applicant and provide an opportunity for response. Some inspection reports require follow-up due to critical or major findings. The inspectors will comment on any response from an inspected site or applicant and may monitor future compliance with any proposed corrective action plan. Inspectors grade their findings according to the following scale:

Critical: Conditions, practices or processes that adversely affect the rights, safety or well being of the subjects or the quality and integrity of data. Observations classified as critical may include a pattern of deviations classified as major.

Major: Conditions, practices or processes that might adversely affect the rights, safety or well-being of the subjects and/or the quality and integrity of data. Observations classified as major may include a pattern of deviations or numerous minor observations.

Possible consequences of critical and major findings include rejection of data or direct legal action by regulatory or national authorities.

Minor: Conditions, practices or processes that would not be expected to adversely affect the rights, safety or well being of the subjects or the quality and integrity of data. Minor observations indicate the need for improvement of conditions, practices and processes.

Comments: Suggestions on how to improve quality or reduce the potential for a deviation to occur in the future.

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. 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 indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders 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 by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. 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. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Environment Protection Act, 1986 (“EPA”)

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this 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 Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Bio-Medical Waste (Management and Handling) Rules, 1998 (“BMW Rules”)

The BMW Rules apply to all persons who generate, 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 steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up bio

–medical waste treatment facilities as prescribed under the BMW Rules. 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, storage, transportation, treatment, disposal, and/ or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 (“Hazardous Waste Rules”)

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective state pollution control board for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste.

Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

The Explosives Act, 1884 (“Explosives Act”)

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.

Laws relating to taxation

The tax related laws that are pertinent include the Value Added Tax 2005, the Income Tax Act 1961, the Customs Act 1961, the Central Sales Tax Act 1956 and various service tax notifications.

Laws relating to Employment

Certain other laws and regulations that may be applicable to our Company in India include the following:

- 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;
- Karnataka Shops and Commercial Establishments Act, 1961; and
- Trade Unions Act, 1926.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as Syngene International Private Limited on November 18, 1993 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Pursuant to a special resolution of the shareholders dated March 26, 2007, our Company was converted into a public limited company and the name of our Company was changed to Syngene International Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on April 19, 2007.

Our Company was promoted by Kiran Mazumdar Shaw, a promoter of Biocon. On March 30, 2002, 99.9 per cent of the Equity Shares of our Company were transferred to Biocon and as a result, our Company became the subsidiary of Biocon. Biocon has since been the Promoter of our Company. For further details, see “Capital Structure” on page 68.

Corporate profile of our Company

For information on our Company’s business profile, activities, services, managerial competence, and customers, see “Our Management”, “Our Business” and “Industry Overview” on pages 146, 115 and 106, respectively.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered and Corporate Office	Details of the address of Registered and Corporate Office
October 21, 2010	From 20 th KM, Hosur Road, Electronics City P.O, Bengaluru 560 100, Karnataka, India to Biocon Special Economic Zone, Biocon Park, Plot No. 2 and 3, Bommasandra Industrial Area IV Phase, Jigani Link Road, Bommasandra, Bengaluru 560 099, Karnataka, India

The changes in the Registered Office were made to ensure greater operational efficiency and to meet growing business requirements.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

“1. To carry on, undertake, set up, establish, pursue, develop, deal, trade, use, assist, advice, consult, facilitate, Contract Research and Manufacturing Services (CRAMS) and Clinical research services in the field of drug discovery, biotechnology, pharmaceuticals, nutritional products, bio-pharmaceuticals, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, biosciences, agro based products and to undertake such other related and allied activities but not limited to discovery, product development and manufacturing, custom services, vivarium services, animal research, preclinical and clinical trials on animals and on human being, clinical drug development, clinical laboratory, clinical data management.

2. To carry on research and development of new products, new delivery systems, new routes of administration, new devices and sensors, new diagnostics, the process and/or product development for manufacturing, formulation and packaging development, development of analytical and characterisation methods, biochemical and immunological analysis, bio marker analysis, preclinical studies, pharmacology and toxicology studies, bio equivalence and clinical studies, validation of process and commercial research.

3. To engage in the business of design and development of software and related products for special applications in the field of Biotechnology, discovery, development, manufacture and bio informatics.”.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
September 26, 1997	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹5,000,000 divided into 500,000 Equity Shares of ₹10 each to ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each
September 29, 1999	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each to ₹30,000,000 divided into 3,000,000 Equity Shares of ₹10 each
March 20, 2000	<p>Clause III of the Memorandum of Association was amended to include the following objects numbered as 6 to 9:</p> <p><i>“6. To engage in the business of import, export, conceptualisation, design and development of software related products for all applications in general and for special applications in the field of bio-technology and bio-informatics in particular.</i></p> <p><i>7. To develop, maintain, deal in export and import all kinds of computer software and technologies, databases, information systems, data management systems, facilities, management systems, facilities management systems and the like and to develop and deal in specialised software, software services including personnel training, development of original software, computer modelling, development of databases, feasibility services and the likes related to computer software and systems management in the field of information technology, bio-informatics and to operate and render services as a software unit.</i></p> <p><i>8. To carry on the business of computer consultants and to undertake research and development of computer software of all kinds and description having special application in research, bio-technology, multimedia, communication and information technology and to render software development devises on a turnkey basis including programming services and other related services.</i></p> <p><i>9. To develop or create various databases, websites and develop e-commerce, web portals, on line sites of all kinds of and develop various internet based applications and to provide internet service and deal with all kinds of software and hardware related to all fields of internet communication in India and abroad.”</i></p>
December 21, 2000	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹30,000,000 divided into 3,000,000 Equity Shares of ₹10 each to ₹35,000,000 divided into 3,500,000 Equity Shares of ₹10 each
January 18, 2003	<p>Clause III(A)(1) to (4) of the Memorandum of Association were substituted with the following clauses:</p> <p><i>“1. To undertake contractual research for companies inclusive of Government sponsored enterprises in India and abroad.</i></p> <p><i>2. To carry on the research on the process and/or product development, development of analytical methods, biochemical and immunological analysis, bio equivalence and clinical studies, validation of process and commercial research in the area of Biotechnology and drug discovery.</i></p> <p><i>3. To undertake custom synthesis of research based compounds.</i></p> <p><i>4. To engage in the business of import, export, conceptualisation, design and development of software and related products for special applications in the field of Biotechnology, drug development and Bioinformatics.”</i></p> <p>Clause III(A)(5) to (9) were deleted, clause (III)(B)(1)to(32) were deleted and the following Clause (III)(B)(1)to(14) were inserted:</p> <p><i>“1. To enter into contracts with any parties for the purchase of materials, equipment or other products and/or services necessary for or otherwise required for or incidental to carrying out the objects of the Company.</i></p> <p><i>2. To promote and/or sponsor studies, researches, investigations, experiments, tests and inventions to assist any business which the Company is authorised to carry on.</i></p>

Date of Shareholders' Resolution	Particulars
	<p>3. To enter into any agreement with any company, firm, individual and/or government authority, that may be conducive to the Company's objects and to obtain various consents, approvals, permits and licenses from governmental or other authorities or agencies which may be required in relation to the businesses of the Company.</p> <p>4. To lease, purchase or otherwise acquire any land, laboratories, offices, guest houses, employee accommodation, or warehouses considered necessary carrying on the businesses of the Company.</p> <p>5. To do all such other things required to support the Company's main objects.</p> <p>6. To employ, engage, appoint, retain or otherwise procure and remunerate the services of employees, professionals, consultants, legal and financial advisors, or other required for the functioning and businesses of the Company.</p> <p>7. To take and/or provide discounts or other terms of payment or credit in relation to any sums owing to or dues from the Company and to impose or agree to any interest thereon or to write off any such sums or part thereof.</p> <p>8. To pay for any property or rights acquired, either in cash, against debentures, or in fully or partly paid shares, or by the issue of securities, or by providing services and generally on such terms as may be determined.</p> <p>9. To open and operate current accounts, overdraft accounts, loan accounts, cash credit accounts and/or any and all other accounts with any bank, company, form or person and otherwise draw, make, accept, endorse, discount, execute and issue cheques, drafts, promissory notes, bills of exchange, and/or any other negotiable or transferable instruments.</p> <p>10. To receive money on deposit or loan and borrow or raise money in such manner as the Company shall think fit with or without security. However, the company shall not carry on the business as defines by regulations relating to banking in India.</p> <p>11. To invest the surplus funds of the Company from time to time in deposits, units, government securities determined by the directors, and to execute all assignments, transfers, receipts and documents that may be necessary in this regard,</p> <p>12. To grant stock options, pensions, allowances, gratuities and bonuses and to contribute to super annuation, gratuity, provident fund and other funds for the benefit of officers, ex-officers, employees and ex-employees of the company as the Company may think fit.</p> <p>13. To institute, defend, settle, negotiate, dispose off, or refer, or agree to refer any claims, demands, disputes or any other question by or against the Company or in which the Company is interested or concerned through negotiation, mediation, conciliation, arbitration, litigation or other manner of dispute settlement, and to observe and perform and do all acts necessary and/or incidental thereto.</p> <p>14. To form subsidiaries and or acquire any business that carries on any of the main objects of the Company.”</p> <p>Clause III(C)(1) to (7) were deleted</p>
September 22, 2011	<p>Main objects clause III(A)(i) to clause III(A)(iv) were substituted and main objects clause III(A)(1) to III(A)(3) were added as follows:</p> <p>“1. To carry on, undertake, set up, establish, pursue, develop, deal, trade, use, assist, advice, consult, facilitate, Contract Research and Manufacturing Services (CRAMS) and clinical research services in the field of drug discovery, bio-technology, pharmaceuticals, nutritional products, bio-pharmaceuticals, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, biosciences, agro based products and to undertake such other related and allied activities but not limited to discovery, product development and manufacturing, custom services, vivarium services, animal research, preclinical and clinical trials, clinical drug development, clinical laboratory, clinical data management.</p> <p>2. To carry on research and development of new products, new delivery systems, new routes of</p>

Date of Shareholders' Resolution	Particulars
	administration, new devices and sensors, new diagnostics, the process and/or product development for manufacturing, formulation and packaging development, development of analytical and characterisation methods, biochemical and immunological analysis, bio marker analysis, preclinical studies, pharmacology and toxicology studies, bio equivalence and clinical studies, validation of process and commercial research. 3. To engage in the business of design and development of software and related products for special applications in the field of biotechnology, discovery, development, manufacture and bio informatics.”
December 14, 2011	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹35,000,000 divided into 3,500,000 Equity Shares of ₹10 each to ₹250,000,000 divided into 25,000,000 Equity Shares of ₹10 each and the sub division of the authorised share capital of ₹250,000,000 into 50,000,000 Equity Shares of ₹5 each
October 31, 2012	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital of our Company from ₹250,000,000 divided into 50,000,000 Equity Shares of ₹5 each to ₹300,000,000 divided into 60,000,000 Equity Shares of ₹5 each
September 11, 2014	Main objects clause III(A)(i) of the Memorandum of Association was amended to read as follows: “1. To carry on, undertake, set up, establish, pursue, develop, deal, trade, use, assist, advice, consult, facilitate, Contract Research and Manufacturing Services (CRAMS) and clinical research services in the field of drug discovery, bio-technology, pharmaceuticals, nutritional products, bio-pharmaceuticals, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, biosciences, agro based products and to undertake such other related and allied activities but not limited to discovery, product development and manufacturing, custom services, vivarium services, animal research, preclinical and clinical trials on animals and on human being, clinical drug development, clinical laboratory, clinical data management.”
March 16, 2015	Clause V of the Memorandum of Association was amended to reflect the consolidation of the authorised share capital from ₹300,000,000 divided into 60,000,000 Equity Shares of ₹5 each to ₹300,000,000 divided into ₹30,000,000 Equity Shares of ₹10 each and increase in authorised share capital from ₹300,000,000 divided into ₹30,000,000 Equity Shares of ₹10 each to ₹2,500,000,000 divided into 250,000,000 Equity Shares of ₹10 each

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Calendar Year	Particulars
2015	CIL was amalgamated with our Company
2014	<ul style="list-style-type: none"> - Bristol-Myers Squibb and our Company extend collaboration for its dedicated R&D centre till 2020 - Acceptance of our API manufacturing facility by the Department of Health & Human Services, FDA - Established a 75,000 sq.ft centre to provide stability and analytical services
2013	<ul style="list-style-type: none"> - Crossed an annual turnover of over ₹5,000 million in Financial Year 2013 - Baxter International Inc. collaborated with our Company to establish the 'Baxter Global Research Center', our third dedicated R&D centre - Acceptance of our control testing laboratory by the Department of Health & Human Services, FDA
2012	<ul style="list-style-type: none"> - Abbott and our Company collaborated to establish Abbott's nutrition research and development centre in India and our second R&D centre - Certification of our clinical facilities by ANVISA - Acquired 100% stake in Clinigene International Limited from Biocon
2011	Endo Pharmaceuticals and our Company collaborated to develop novel biological therapeutic molecules against cancer
2010	<ul style="list-style-type: none"> - Acceptance of the clinical and bio-analytical facilities of CIL by the Department of Health & Human Services, FDA - Initiated operations in formulation development
2009	<ul style="list-style-type: none"> - Dupont Crop Protection and our Company extended a partnership for R&D services - Expansion of manufacturing services with a new plant which is cGMP compliant - Initiated operations in safety assessment and large molecules development services
2007	<ul style="list-style-type: none"> - Bristol-Myers Squibb and our Company signed the first long term contract to set up our first dedicated R&D centre - Expansion of research facilities at Biocon SEZ to 148,000 sq. ft.

Calendar Year	Particulars
	- Crossed an annual turnover of over ₹1,000 million in Financial Year 2007
2003	Moved to Biocon Park, a 90 acre biopharmaceutical SEZ with operations spread over 65,000 sq. ft.
2001	Forayed into chemical development with a dedicated manufacturing facility
2000	CIL was incorporated as a 100% subsidiary of Biocon to provide clinical research services to domestic and multinational companies
1999	First operational expansion in R&D by way of expansion of lab space to over 23,000 sq. ft.
1998	Granted 100% Export Oriented Unit (EOU) status by the Government of India
1994	Initiated operations as a CRO with services in chemistry and biology

Awards, Recognitions and Accreditations

We have received the following awards and accreditations:

Calendar Year	Awards and Accreditations
2015	<ul style="list-style-type: none"> - Bangalore India Bio – Bio Excellence Award for outstanding contribution to the Biotech services sector - ISO 15189:2007 in the field of medical testing
2014	<ul style="list-style-type: none"> - ISO 14001:2004 for contract research in drug discovery and contract manufacturing of biopharmaceuticals - BS OHSAS 18001:2007 for contract research in drug discovery and contract manufacturing of biopharmaceuticals - Silver EDGE Award - EHS best practices award by CII - SAP Ace Award for special recognition for complex SAP implementation - Level I Laboratory certification issued by the NGSP to Clinigene International Limited
2013	<ul style="list-style-type: none"> - Bioservices - ABLE Tenth Anniversary Award – Outstanding contribution to Bioservices - Diamond sponsor recognition by the Association of Scientists of Indian Origin of the Society of Toxicology
2012	<ul style="list-style-type: none"> - ISO 9001:2008 for contract research in drug discovery and contract manufacturing of biopharmaceuticals - AAALAC accreditation for conforming to the “Guide for the Care and Use of Laboratory Animals and the Committee for the Purpose of Control and Supervision of Experiments on Animals guidelines”
2009	<ul style="list-style-type: none"> - Bangalore Bio, Bio Excellence Award – Biotech Services Sector - Best BioServices company of the year by Biospectrum

Other Details Regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company in relation to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/ facility creation, location of plant, market capacity build-up, marketing and competition, see “Our Business” and “Industry Overview” on page 115 and 106 respectively. There have been no lock-outs or strikes at any time in the Company and our Company is not operating under any injunction or restraining order.

For details regarding our management and its managerial competence, see “Our Management” on page 146.

Details regarding acquisition of business/ undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor has undertaken any merger, amalgamation or revaluation of assets.

Scheme of amalgamation of Clinigene International Limited with our Company

Our erstwhile subsidiary, Clinigene, filed a scheme of amalgamation under sections 391 to 394 of the Companies Act, 1956 before the High Court of Karnataka on October 28, 2014 (the “**Scheme**”). The Scheme was approved by our Board and by the board of directors of Clinigene on April 23, 2014. The rationale for the amalgamation of Clinigene with our Company was to achieve synergies of integration and greater financial strength and flexibility, to maximise overall shareholder value, to improve the competitive position of the

combined entity, to rationalize and consolidate various business activities, diversify and expand to various geographical locations.

The Scheme was sanctioned by the High Court of Karnataka through an order dated February 5, 2015 and a certified true copy of the order was filed with the RoC. Our Company filed a certified true copy of the order of the High Court of Karnataka, dated February 24, 2015 with the RoC on March 3, 2015. Pursuant to this, Clinigene was amalgamated with our Company with effect from April 1, 2014. With the successful implementation of the Scheme, the entire undertaking of Clinigene comprising of all its assets, liabilities, rights, duties, and obligations were transferred to our Company as a going concern. Clinigene was a wholly owned subsidiary of our Company and we, along with our nominee shareholders, held all the shares of Clinigene. On the amalgamation pursuant to the Scheme, no shares were issued or allotted by our Company in respect of the shareholding of our Company in Clinigene. Upon the Scheme becoming effective, the entire equity share capital of Clinigene held by our Company along with the nominee shareholders was cancelled and Clinigene was dissolved without being wound up.

Capital raising activities through equity and debt

Except as mentioned in “Capital Structure” on page 68, our Company has not raised any capital through equity. For details on the debt facilities of our Company, see “Financial Indebtedness” on page 176.

Defaults or rescheduling of borrowings with financial institutions/ banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions in respect of our current borrowings from lenders. None of our outstanding loans have been converted into Equity Shares.

Time and cost overruns

There have been no time and cost overruns in the development or construction of any of our projects.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/ loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Partnership Firms

Our Company is not a partner in any partnership firm.

Our Shareholders

Our Company has 12 Shareholders, as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see “Capital Structure” on page 68.

Strategic or Financial Partners

As on the date of this Draft Red Herring Propsectus, our Company does not have any strategic or financial partners.

Our Holding Company

Biocon is the holding company of our Company. For details of our holding company, see “Our Promoter and Promoter Group” on page 162.

Subsidiaries

As on the date of this Draft Red Herring Propsectus, our Company does not have any subsidiaries.

Our Associates

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

Summary of Key Agreements

Waiver and termination agreement dated April 20, 2015 between Biocon, Silver Leaf, our Company, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust

Our Company entered into a waiver and termination agreement, whereby Silver Leaf agreed to waive its tag along right provided under clauses 9.2 and 9.3 and Silver Leaf consented to the Offer in accordance with clause 9.15, of the Shareholders Agreement (as defined below). Further, the parties agreed that on and from the date on which the Company's shares are listed for trading on the NSE and BSE, the Shareholders Agreement shall stand automatically terminated, without any further act or deed. In addition, our Company and our Promoter have consented to the sale of Equity Shares held by Silver Leaf, post listing, pursuant to the Offer.

Share purchase agreement dated March 31, 2015 between IVF, Silver Leaf, our Company, Biocon, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust

We received the FIPB approval for transfer of Equity Shares as applied on September 19, 2014, on March 25, 2015 pursuant to which, under a share purchase agreement, IVF sold its entire shareholding in our Company, as adjusted for bonus and consolidation, aggregating 20 million Equity Shares, to Silver Leaf for a consideration of ₹3,800 million. IVF also assigned the Assignment Documents (as defined below), together with its rights, obligations, title, interests, benefits, privileges and entitlements, thereunder to Silver Leaf.

Accordingly, we have intimated the FIPB through letter dated April 17, 2015 clarifying the change in the number of shares in light of the bonus issue and consolidation of equity shares. Further, we propose to provide certain additional details to the FIPB in relation to the aforesaid transfer undertaken by IVF, pursuant to the FIPB approval dated March 25, 2015.

Additionally, some of our Directors and directors of our Promoter, have agreed to purchase 25,000 Equity Shares each from Silver Leaf.

Assignment agreement dated January 9, 2015 between Silver Leaf, IVF, our Company, Biocon, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust ("Assignment Agreement")

Pending receipt of the FIPB approval, Silver Leaf, pursuant to the Assignment Agreement, assigned its obligation of purchasing 5,613,773 equity shares of face value ₹5 each from BRL to IVF as per the terms of the Share Purchase Agreement (as defined below) (along with all rights, title and entitlements), and the Shareholders Agreement. As a part of this transaction, IVF executed an indemnity letter agreement, in favour of the Company and/ or BRL, subject to a cap of ₹25 million.

The transfer of equity shares from BRL to IVF was undertaken on January 12, 2015.

Share purchase agreement dated September 18, 2014 between BRL, Silver Leaf and our Company ("Share Purchase Agreement")

Our Company entered into the Share Purchase Agreement, whereby BRL agreed to sell 5,613,773 equity shares of face value of ₹5 each to Silver Leaf for a consideration of ₹3,800 million. As per the terms of the Share Purchase Agreement, in the event that Silver Leaf suffers any loss on account of BRL not having a clear, marketable and/or unencumbered title to some or all of the Equity Shares being sold ("**Identified Shares**"), then BRL shall by itself or by causing Biocon, transfer to Silver Leaf, Equity Shares equal to the number of Identified Shares. The Share Purchase Agreement is terminable by execution of a written instrument signed by all parties to the agreement.

Our Company made an application to the FIPB for approval of the said transfer of equity shares on September 19, 2014.

Shareholders agreement dated October 28, 2014 between Biocon, Silver Leaf and our Company ("Shareholders Agreement")

Our Company has entered into a Shareholders Agreement, wherein Silver Leaf has the right to appoint one person as an observer on our Board until such time when Silver Leaf becomes entitled to appoint a non-retiring, non-executive director on our Board, being the date falling immediately after July 31, 2016 ("**Effective Date**"),

provided Silver Leaf continues to hold the prescribed number of Equity Shares in the event the listing of the Equity Shares of our Company has not occurred by the Effective Date. Our Company may not effect any amendment to the Memorandum of Association and/or the Articles of Association in a manner which prejudicially affects the rights of Silver Leaf, except amendment to the Articles of Association at the time of filing of the draft red herring prospectus in the event of an IPO of the shares of the Company, without the prior written consent of Silver Leaf. The Company shall be required to obtain the prior written consent of Silver Leaf to pass resolutions in relation to matters such as, fresh issuance of shares of the Company, sale or assignment of fixed assets of the Company, conducting an IPO of the Company, unless the lower band of the IPO price is based on the pre-money equity valuation of the Company being higher than ₹40,000 million, after the Effective Date, provided Silver Leaf continues to hold the prescribed number of Equity Shares.

As per the Shareholders Agreement, our Promoter shall compensate, indemnify and hold harmless Silver Leaf in relation to, inter alia, any breach of representation and warranties, covenants and obligations under the Shareholders Agreement. In the event of a transfer of the Promoter's shareholding in Syngene, Silver Leaf shall have a tag along right to offer Equity Shares held by it for such sale, as per the terms of the Shareholders Agreement. The Promoter has a drag along right to force Silver Leaf to sell all the Equity Shares held by it, in case the Promoter opts to undertake a strategic sale of the Company, as per the terms of the agreement. However a strategic sale cannot be undertaken before July 31, 2016 without the prior written consent of Silver Leaf. The Promoter shall not, without the prior written consent of Silver Leaf, sell its Equity Shares, unless the price per Equity Share of the Equity Shares to be sold and transferred, is based on an equity valuation of Syngene of more than ₹40,000 million.

As per the terms of the Shareholders Agreement, in case the Equity Shares of the Company have not been listed as of June 30, 2020, the Promoter shall be required to purchase all the Equity Shares held by Silver Leaf. This right of Silver Leaf shall come into effect after the Effective Date, provided Silver Leaf continues to hold the prescribed number of Equity Shares. The Shareholders Agreement shall terminate at the earlier of (i) Silver Leaf and/or its affiliates ceasing to hold the prescribed number of Equity Shares, or (ii) on completion of an IPO or listing of the Equity Shares on a recognised stock exchange.

Confirmation letters dated September 18, 2014 issued by (i) Syngene Employee Welfare Trust in favour of Biocon, BRL, Silver Leaf and our Company; (ii) BRL in favour of Biocon, Silver Leaf and our Company; and (iii) Allegro in favour of Biocon, BRL, Silver Leaf and our Company (the confirmation letters along with the Assignment Agreement, Shareholders Agreement and Share Purchase Agreement referred to as the "Assignment Documents")

Confirmation letters dated September 18, 2014 were issued by (i) Syngene Employee Welfare Trust in favour of Biocon, BRL, Silver Leaf and our Company; (ii) BRL in favour of Biocon, Silver Leaf and our Company; and (iii) Allegro in favour of Biocon, BRL, Silver Leaf and our Company, confirming, *inter alia*, the terms of the Share Purchase Agreement and the Shareholders Agreement.

Trademark license agreement dated April 20, 2015 between Biocon and our Company

Our Company has entered into a trademark license agreement, whereby Biocon has agreed to grant to the Company a non-exclusive licence to use certain trademarks registered in the name of Biocon, for use in relation to the Company's business.

Guarantees issued by our Promoter

Corporate guarantee issued by our Promoter in favour of Maybank Investment Bank Berhad

Pursuant to a facility agreement dated May 18, 2011 as amended and restated by the supplemental facility agreement on June 14, 2012, Biocon Sdn Bhd has availed a syndicated term loan facility amounting to US\$130.0 million from Hongkong and Shanghai Banking Corporation Limited, DBS Bank Limited and certain other lenders. Our Promoter has entered into a corporate guarantee undertaking to guarantee Maybank Investment Bank Berhad, the facility agent and the security agent, performance of all of Biocon Sdn Bhd's obligations under the financing documents. Further, our Promoter has undertaken to immediately pay the amount whenever Biocon Sdn Bhd does not pay any amount due under or in connection with the financing documents. Under the agreement, the obligations of our Promoter by way of guarantee, indemnity, payment of default interest or otherwise shall not exceed US\$155.0 million. The obligations are valid for a period not exceeding 11 years from the January 18, 2012.

Corporate guarantee issued by our Promoter in favour of HDFC Bank Limited

Pursuant to a loan agreement dated May 20, 2010, our erstwhile subsidiary, Clinigene, has availed cash credit, working capital demand loan and export credit amounting to ₹100.0 million from HDFC Bank Limited. Our Promoter has by way of a letter of continuing guarantee dated May 20, 2010 undertaken to guarantee the due repayment to the Bank of all amounts due and payable by the borrower to the lender under the credit facilities and indebtedness. The guarantee shall remain in force until the borrower is fully discharged by the lender of all its liabilities under the credit facilities.

Surety dated December 23, 1999 in favour of the Government of India

Our Promoter has given a surety dated December 23, 1999, to the President of India, acting through the Deputy Commissioner of Customs, Bangalore, of a sum of ₹67.5 million on behalf of our Company in relation to an industrial license dated December 14, 1998 granted to us for setting up of a 100% export oriented undertaking.

Surety dated September 14, 2001 in favour of the Government of India

Our Promoter has given a surety dated September 14, 2001 to the President of India, acting through the Deputy Commissioner of Customs, Bangalore, of a sum of ₹12.5 million on behalf of our Company in relation to an industrial license dated August 24, 2001 granted to us for setting up of a 100% export oriented undertaking

Surety dated August 20, 2004 in favour of the Government of India

Our Promoter has given a surety dated August 20, 2004 to the President of India, acting through the Asst. Commissioner of Customs, Bangalore, of a sum of ₹135.0 million on behalf of our Company in relation to an industrial license dated August 24, 2001 granted to us for setting up of a 100% export oriented undertaking.

Corporate guarantee dated June 1, 2005 in favour of the Government of India

Our Promoter has given a corporate guarantee to the President of India, acting through the Deputy Commissioner of Customs, Bangalore, an amount not exceeding ₹5.0 million on behalf of our erstwhile subsidiary, Clinigene, against any loss, damage caused or suffered by reasons of failure on the part of Clinigene of any of the terms or conditions contained in the Export Promotion Capital Goods (“EPCG”) licence dated March 31, 2005 and the Customs notification dated September 17, 2004, including export obligations mentioned therein. The guarantee shall be in force for 10 years from the date of issue, June 1, 2005.

Corporate guarantee dated January 25, 2007 in favour of the Government of India

Our Promoter has given a corporate guarantee to the President of India, acting through the Deputy Commissioner of Customs, Bangalore, an amount not exceeding ₹22.23 million on behalf of our erstwhile subsidiary, Clinigene, against any loss, damage caused or suffered by reasons of failure on the part of Clinigene of any of the terms or conditions contained in the EPCG licence dated January 3, 2007 and the Customs notification dated September 17, 2004, including export obligations mentioned therein. The guarantee shall be in force for 10 years from the date of issue, January 25, 2007.

Other Material Contracts

Except as stated above, our Company has not entered into any material contract, not being a contract entered into in the ordinary course of the business or a contract entered into more than two years before the date of this Draft Red Herring Prospectus.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises of eight Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
1.	<p>Kiran Mazumdar Shaw</p> <p><i>Designation:</i> Managing Director</p> <p><i>Address:</i> Glenmore, No. 58 Goolimangala Village Sarjapur, Hobli, Anekal Taluk Bangalore 562 106 Karnataka, India</p> <p><i>Occupation:</i> Business</p> <p><i>Nationality:</i> Indian</p> <p><i>Term:</i> For a period of 5 years from December 14, 2011 to December 13, 2016</p> <p><i>DIN:</i> 00347229</p>	62	<p>Other Directorships</p> <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Biocon Academy (a company incorporated under section 25 of the Companies Act, 1956) Biocon Limited Biocon Pharma Limited Biocon Research Limited Glenloch Properties Private Limited Indian School of Business Infosys Limited Mazumdar Shaw Medical Foundation (a company incorporated under section 25 of the Companies Act, 1956) Narayana Hrudayalaya Private Limited Narayana Institute For Advanced Research Private Limited Narayana Vaishno Devi Specialty Hospitals Private Limited United Breweries Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Biocon SA Biocon Sdn. Bhd. Glentec International <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <ul style="list-style-type: none"> Bangalore Political Action Committee Biocon Foundation Biocon Limited Employee Welfare Trust Biocon India Limited Employees Welfare Trust Dev Mazumdar Education Trust Syngene Employee Welfare Trust U.S. Pharmacopeial Convention
2.	<p>Peter James Jonathan Bains</p> <p><i>Designation:</i> Executive Director and Chief Executive Officer</p> <p><i>Address:</i> Hutchins Barn Forty Green Road Knotty Green HP91XL</p>	57	<p>Other Directorships</p> <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Fermenta Biotech Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Kromek Group Plc MiNA Therapeutics Limited

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	<p>Beaconsfield, 76152 United Kingdom</p> <p>Occupation: Service</p> <p>Nationality: British</p> <p>Term: From February 2, 2015 until March 31, 2016</p> <p>DIN: 00430937</p>		<ul style="list-style-type: none"> Peter Bains Consulting Limited Phase 4 Partners Limited Sosei Group Corporation Heptares Therapeutics <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>
3.	<p>John McCallum Marshall Shaw</p> <p>Designation: Non-Executive Director</p> <p>Address: Glenmore, No. 58 Goolimangala Village Sarjapur, Hobli, Anekal Taluk Bangalore 562 106 Karnataka, India</p> <p>Occupation: Business</p> <p>Nationality: Indian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 00347250</p>	66	<p>Other Directorships</p> <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Biocon Academy (a company incorporated under section 25 of the Companies Act, 1956) Biocon Limited Biocon Pharma Limited Biocon Research Limited Glenloch Properties Private Limited Mazumdar Shaw Medical Foundation (a company incorporated under section 25 of the Companies Act, 1956) <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Biocon SA Biocon Sdn. Bhd. Glentec International <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <ul style="list-style-type: none"> Biocon Foundation Biocon India Limited Employees Welfare Trust Biocon Limited Employee Welfare Trust Syngene Employee Welfare Trust
4.	<p>Catherine Patricia Rosenberg</p> <p>Designation: Non-Executive Director</p> <p>Address: 565, Hemingway Place Waterloo ON, N2T1Z4 Canada</p> <p>Occupation: Professor</p> <p>Nationality: Canadian</p> <p>Term: Liable to retire by rotation</p> <p>DIN: 06422834</p>	53	<p>Other Directorships</p> <p><i>Indian Directorships</i></p> <p>NIL</p> <p><i>Foreign Directorships</i></p> <p>NIL</p> <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>
5.	<p>Charles Leland Cooney</p>	71	<p>Other Directorships</p>

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	<p>Designation: Non-Executive, Independent Director</p> <p>Address: 35, Chestnut Pl, Brooke Line Massachusetts, 02445 United States of America</p> <p>Occupation: Professor</p> <p>Nationality: American</p> <p>Term: From July 23, 2014 upto the conclusion of the next AGM</p> <p>DIN: 01056607</p>		<p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Biocon Limited Mitra Biotech Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Boyd Technologies enEvolv, Inc. Poly Pore International Pronutria Bioscience Greenlight Bioscience Levitronix <p><i>Partnerships</i></p> <p>NIL</p> <p><i>Trusteeships</i></p> <p>NIL</p>
6.	<p>John Russell Fotheringham Walls</p> <p>Designation: Non-Executive, Independent Director</p> <p>Address: 49 Strand on the Green London W4 3PD United Kingdom</p> <p>Occupation: Business</p> <p>Nationality: British</p> <p>Term: From July 23, 2014 upto the conclusion of the AGM to be held in 2017</p> <p>DIN: 03528496</p>	71	<p><i>Other Directorships</i></p> <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Biocon Limited Bindu Vayu Urja Private Limited Biocon Research Limited Mytrah Energy (India) Limited Mytrah Vayu (Krishna) Private Limited <p><i>Foreign Companies</i></p> <ul style="list-style-type: none"> Aviva Annuity UK Limited Aviva Italia Holding SpA Aviva Life Holdings UK Limited Aviva Life & Pensions UK Limited Aviva Life Services UK Limited Friends Annuities Limited Friends Life Limited Friends Life & Pensions Limited Friends Life Services Limited Signet Jewelers Limited Mytrah Energy Limited <p><i>Partnerships</i></p> <p>NIL</p> <p><i>Trusteeships</i></p> <p>NIL</p>
7.	<p>Daniel Mark Bradbury</p> <p>Designation: Non-Executive, Independent Director</p> <p>Address: 5462, Soledad Road, La Jolla California 92037</p>	54	<p><i>Other Directorships</i></p> <p><i>Indian Companies</i></p> <ul style="list-style-type: none"> Biocon Limited Biocon Research Limited <p><i>Foreign Companies</i></p>

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
	<p>United States of America</p> <p>Occupation: Business</p> <p>Nationality: American</p> <p>Term: From July 23, 2014 upto the conclusion of the AGM to be held in 2017</p> <p>DIN: 06599933</p>		<ul style="list-style-type: none"> BioMed Realty Trust, Inc. Castle Biosciences, Inc. Corcept Therapeutics, Inc. Diavacs, Inc. Freedom Meditech, Inc. Geron Corporation Illumina, Inc. Liquid Grids, Inc Microdermis, Inc. Profil Institute for Clinical Research, Inc. Renova Therapeutics Riecken Community Libraries Sensulin LLC Troia Therapeutics, Inc. <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <ul style="list-style-type: none"> Keck Graduate Institute
8.	<p>Paul Frederick Blackburn</p> <p>Designation: Non-Executive, Independent Director</p> <p>Address: 3, Beeches Park, Beaconsfield, HP9 1PH, Buckinghamshire, HP9 1PH, United Kingdom</p> <p>Occupation: Service</p> <p>Nationality: British</p> <p>Term: From September 11, 2014 upto the conclusion of the AGM in 2019</p> <p>DIN: 06958360</p>	60	<p>Other Directorships</p> <p>Indian Companies</p> <p>NIL</p> <p>Foreign Companies</p> <ul style="list-style-type: none"> Action Potential Venture Capital Limited Adechsa GmBH Beecham Group Plc Dealcyber Limited Glaxo Group Limited Glaxo Investments (UK) Limited Glaxochem Pte Limited GlaxoSmithKline Caribbean Limited GlaxoSmithKline Consumer Healthcare Investments (Ireland) (No 2) GlaxoSmithKline Consumer Healthcare Investments (Ireland) Limited GlaxoSmithKline Consumer Healthcare Ireland IP Limited GlaxoSmithKline Consumer Healthcare Finance Limited GlaxoSmithKline Consumer Healthcare Sri Lanka Holdings Limited GlaxoSmithKline Consumer Healthcare Holdings Limited GlaxoSmithKline Consumer Healthcare (UK) Trading Limited GlaxoSmithKline Consumer Healthcare (Overseas) Limited GlaxoSmithKline Consumer Healthcare (UK) IP Limited GlaxoSmithKline Export Limited GlaxoSmithKline Holdings (One) Limited GlaxoSmithKline Holdings (Ireland) Limited GlaxoSmithKline IHC Limited

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/ partnerships/ trusteeships/ memberships
			<ul style="list-style-type: none"> GlaxoSmithKline Intellectual Property (No.2) Limited GlaxoSmithKline Intellectual Property Development Limited GlaxoSmithKline Intellectual Property Holdings Limited GlaxoSmithKline Intellectual Property Limited GlaxoSmithKline Intellectual Property Management Limited GlaxoSmithKline Investment Holdings Limited GlaxoSmithKline Investment Services Limited GlaxoSmithKline Investments (Ireland) Limited Horlicks Limited SmithKline Beecham (Export) Limited SmithKline Beecham (H) Limited SmithKline Beecham (Investments) Limited SmithKline Beecham (SWG) Limited SmithKline Beecham Marketing and Technical Services Limited SmithKline Beecham Nominees Limited SmithKline Beecham Port Louis Limited SmithKline Beecham Research Limited Stafford-Miller Limited Stiefel Consumer Healthcare (UK) Limited <p>Partnerships</p> <p>NIL</p> <p>Trusteeships</p> <p>NIL</p>

Relationship between our Directors

Except for (i) Kiran Mazumdar Shaw who is the wife of JMM Shaw; and (ii) CP Rosenberg who is Kiran Mazumdar Shaw's brother's wife, none of our other Directors are related to each other.

Brief Biographies of Directors

Kiran Mazumdar Shaw is the Managing Director of our Company. She is also the chairperson and managing director of Biocon. She is a first generation entrepreneur with more than 39 years experience in the field of biotechnology. She holds a bachelors degree in Science (Zoology Hons.) from Bangalore University and a masters degree in Malting and Brewing from Ballarat College, Melbourne University. She has been awarded with several honorary degrees including Honorary Doctorate of Science from Ballarat University, National University of Ireland, Trinity College, Dublin and the University of Glasgow. She is the recipient of several national and global awards, the most noteworthy being the 'PadmaShri' and the 'Padmabhushan' Award in 1989 and 2005, respectively, conferred by the President of India. She was also conferred with 'Ernst & Young Best Entrepreneur: Healthcare & Life Sciences Award (2002)', 'The Economic Times Business Woman of the Year Award (2004)', 'Nikkei Asia Prize for Regional Growth' by Japan's business daily, Nihon Keizai Shimbun, (2009) and most recently, the 'Othmer Gold Medal' by the U.S. based Chemical Heritage Foundation and '2014 Global Economy Prize' by Germany's Kiel Institute both in 2014. The prestigious Foreign Policy magazine has named her among the '100 Leading Global Thinkers of 2014'. She has also been named as one of the '100 Most Influential People in the World' by TIME magazine in 2010, '25 Most Influential People in Biopharma' by Fierce Biotech, Asia-Pacific's 'Heroes of Philanthropy (2013)' and '100 Most Powerful Women (2013)' by Forbes magazine. She is also an Independent director of the board of Infosys, and is the chairperson of the Indian Institute of Management, Bangalore. She is a part of the U.S. Pharmacopeial Convention (USP) Board of Trustees. She is a member of Karnataka's Vision Group on Biotechnology and currently chairs this forum. She has setup the Association of Biotech Led Enterprises (ABLE) in 2003 and was its first president. She serves on

the National Advisory Council of the Government's Department of Biotechnology. She is member of the governing body of the Indian Pharmacopoeia Commission, Ministry of Health and Family Welfare, Government of India. She has been a director of our Company since November 1993.

Peter Bains is a Director and Chief Executive Officer of our Company. He holds a bachelors degree in Science (Combined honours in Zoology and Physiology) from University of Sheffield, United Kingdom and has almost three decades of experience in the global pharmaceutical space. He is responsible for the daily operations and takes strategic decisions for our Company. Before his appointment to our Board, he was with GlaxoSmithKline for 23 years, where he held several roles including head of global marketing and senior vice president of commercial development (international). He has been a director of our Company since January 2010 and Chief Executive Officer since February 2, 2015.

JMM Shaw is a Non-Executive Director of our Company. He holds a masters degree in Arts (Economic hons.) in History and Political Economy from Glasgow University, United Kingdom. Prior to joining our Board, he had worked with Coats Viyella plc. for 27 years in various capacities including finance and general administration and also served as finance director and managing director of Coats Viyella group companies in various locations around the world, before he came on the Board our Company. He has been a director of our Company since March 2000.

CP Rosenberg is a Non-Executive Director of our Company. She holds a 'Diplome d'Ingénieur' from the Ecole Nationale Supérieure des Telecommunications de Bretagne, an M.S. (Computer Science) from the University of California, a 'Doctorat en Sciences' from the Université de Paris XI, is a fellow member of the Institute of Electrical and Electronics Engineers and a fellow member of the Canadian Academy of Engineering. She is a professor in electrical and computer engineering at the University of Waterloo. Since June 2010, she holds the Canada Research Chair in the Future Internet. She has been a Director of our Company since August 2000.

CL Cooney is a Non-Executive, Independent Director of our Company. He holds a bachelors degree in Chemical Engineering from the University of Pennsylvania, a master's degree and a Ph.D in Biochemical Engineering from Massachusetts Institute of Technology. He is the Robert T. Haslam (1911) professor of Chemical Engineering, Emeritus and a member of the steering committee of the Deshpande Center for Technological Innovation at Massachusetts Institute of Technology. His research interests are in the fields of biochemical engineering and pharmaceutical manufacturing. He is a recipient of several prestigious awards, including Gold Medal of the Institute of Biotechnology Studies (London), the Food, Pharmaceutical and Bioengineering Award from the American Institute of Chemical Engineers, the Advisory Committee Service Award by the USFDA and the James Van Lanen Distinguished Service Award from the American Chemical Society. He has been a director of our Company since January 2001.

JRF Walls is a Non-Executive, Independent Director of our Company. He is a fellow member of the Association of Chartered Certified Accountants, United Kingdom and brings to the Board his experience of more than 45 years in the field of finance. He possesses experience as director across a range of industries such as pharmaceuticals, textiles, transport and leisure. He is currently chairman of Aviva Life Holdings Limited and on the board of Mytrah Energy Limited, Aviva Italia Holdings SpA and Signet Jewelers Limited. He has been a director of our Company since April 2011.

DM Bradbury is a Non-Executive Independent Director of our Company. He holds a postgraduate diploma in Management Studies and a diploma of the Chartered Institute of Marketing from Harrow and Ealing Colleges of Higher Education, United Kingdom and bachelors degree in Pharmacy (Hons.) from Nottingham University, United Kingdom. He has also completed the Director Training and Certification Program at the University of California, Los Angeles and the Director's College 2010 Executive Education Program from Stanford University and the international executive program from INSEAD, European Institute of Business Administration, France. He has over 30 years of experience in creating and implementing strategies that transform businesses and bring novel medicines to market. He has been honored with the Corporate Directors Forum Director of the Year Award for Enhancing Economic Value and the Ernst & Young's Entrepreneur of the Year Finalist. He serves on the University of San Diego's Rady School of Management's advisory council and the Keck Graduate Institute's board of trustees. He has been a director of our Company since April 2013.

PF Blackburn is a Non-Executive Independent Director of our Company. He holds a bachelors degree in Science (Management Sciences) from Warwick University, United Kingdom and a professional accounting qualification from Institute of Cost and Management Accountants, United Kingdom. He has over 38 years of experience in the field of finance. He is senior finance executive with extensive emerging markets, corporate finance and change experience at GlaxoSmithKline, UK a global healthcare company. He has been a director of

our Company since August 2014.

Observer

Pursuant to Board resolution dated April 21, 2015, Vishal Nevatia, has been nominated by Silver Leaf as an observer on our Board.

Confirmations

None of our Directors are or were directors 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 the BSE or the NSE.

None of our Directors are or were directors of any listed company which has been or was delisted from any stock exchange.

No proceedings / investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our 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 of companies in which they are interested, by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Kiran Mazumdar Shaw

Kiran Mazumdar Shaw was appointed as our Managing Director, pursuant to a Board resolution dated October 19, 2011 with effect from December 14, 2011 for a period of five years. She does not draw any remuneration from our Company.

Peter Bains

Peter Bains was appointed on our Board as an Independent Director on January 20, 2010. He was subsequently appointed as the Chief Executive Officer, pursuant to a Board resolution dated January 21, 2015, with effect from February 2, 2015 until March 31, 2016. The terms and conditions governing his appointment as stipulated in the resolution of our Board dated January 21, 2015 are as set forth below:

Particulars	Remuneration
Basic Salary	₹2.0 million per month, inclusive of provident fund, gratuity and medical allowances, as per our policy
Variable Pay Benefits	As per the variable pay programme of our Company, subject to a limit of ₹10.0 million
Other Allowance and Benefits	<ul style="list-style-type: none"> ▪ Eligible for one car and rent free accommodation in Bangalore; ▪ Eligible for leave benefits as per our policy; and ▪ Eligible for coverage under group medical insurance, group life insurance and personal accident insurance, as per our schemes

Payment or benefit to Directors of our Company

The sitting fees / other remuneration paid to our Directors in Financial Year 2014 are as follows:

1. Remuneration to Executive Directors

Our Company has not paid any remuneration (including sitting fees) to our Executive Director, Kiran Mazumdar Shaw in Financial Year 2015.

2. Remuneration to Non-Executive Directors

Our Company has pursuant to a board resolution dated July 23, 2014, fixed the consolidated sitting fees of our non executive Directors at ₹100,000 per meeting of the Board and committee thereof, with effect from July 1, 2014. Further, pursuant to a special resolution dated September 11, 2014, our shareholders

have authorised us to pay our Non-Executive, Independent Directors a commission not exceeding 1% of the net profits of our Company, for a period of five years, commencing from April 1, 2014.

Our Company has paid the following remuneration (including sitting fees) to our Non-Executive Directors in Financial Year 2015:

Sl. No.	Name of Director	Amount paid (₹ in million)
1.	JRF Walls*	2.5
2.	CL Cooney*	2.6
3.	DM Bradbury*	2.5
4.	PF Blackburn*	1.6
5.	Peter Bains**	0.3
6.	CP Rosenberg	0.2
	Total	9.7

* Includes remuneration by way of commission not exceeding one percent of the profits of our Company pursuant to a special resolution dated September 11, 2014

** Peter James Jonathan Bains was a Non-Executive Director of our Company until February 2, 2015

Arrangement or understanding with major Shareholders, customers, suppliers or others

There is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board.

Shareholding of Directors in our Company

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
Kiran Mazumdar Shaw*	7,638	0.0

* Less than or equal to 0.01%

Our Articles of Association do not require our Directors to hold any qualification shares.

Appointment of relatives of our Directors to any office or place of profit

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our Directors currently hold any office or place of profit in our Company.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof, other remuneration and reimbursement of expenses payable to them under our Articles of Association and remuneration paid to them for services rendered as an officer or employee of our Company. Further, pursuant to a special resolution dated September 11, 2014, our shareholders have authorised us to pay our non executive independent Directors a commission not exceeding 1% of the net profits of our Company for a period of five years commencing from April 1, 2014. Kiran Mazumdar Shaw, JMM Shaw, JRF Walls, CL Cooney and DM Bradbury are directors on the board of our Promoter and some of our Directors may hold positions as directors on boards of our Group Entities. In consideration for their services, they are paid managerial remuneration in accordance with the provisions of the Companies Act. Additionally, some of our Directors have agreed to purchase 25,000 Equity Shares each from Silver Leaf. For further details, see “Capital Structure” on page 68.

Except as stated in “Related Party Transactions” on page 173, and to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or 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. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Except as stated in “Our Promoter and Promoter Group”, none of our Directors have any interest in the promotion of our Company, other than in the ordinary course of business.

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.

Except as stated in “Related Party Transactions” on page 173, none of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

Except as stated in “Payment or benefit to Directors of our Company” on page 152, none of our Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Changes in our Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Peter Bains	February 2, 2015	Change in designation from Independent Director to Executive, Non Independent Director
PF Blackburn	September 11, 2014	Change in designation from additional Independent Director to Independent Director and appointment as an Independent Director for a term of five years till the conclusion of the annual general meeting in 2019
PF Blackburn	August 26, 2014	Appointment as additional Director
CL Cooney	July 23, 2014	Appointment as an Independent Director for a term of one year
JRF Walls	July 23, 2014	Appointment as an Independent Director for a term of three years
DM Bradbury	July 23, 2014	Appointment as an Independent Director for a term of three years
Peter Bains	July 23, 2014	Appointment as an Independent Director for a term of three years
JMM Shaw	July 23, 2014	Reappointment as Director
CP Rosenberg	July 24, 2013	Reappointment as Director
CL Cooney	July 24, 2013	Reappointment as Director
DM Bradbury	July 24, 2013	Change in designation from additional Director to Director
DM Bradbury	April 24, 2013	Appointment as additional Director
Peter Bains	July 25, 2012	Reappointment as Director
JMM Shaw	July 25, 2012	Reappointment as Director
Neville Clifford Bain	May 22, 2012	Cessation due to demise

Borrowing Powers of Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorisation of our Shareholders is required to borrow such sum or sums of money or monies, where the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our paid up share capital and free reserves. Pursuant to a special resolution passed at our annual general meeting dated July 23, 2014, our shareholders authorized our Board to borrow from time to time as they may think fit, any sum or sums of money not exceeding ₹6,000 million over and above the equity paid up capital and free reserves of our Company at any point of time.

Corporate Governance

The Corporate Governance provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges will be applicable to us immediately upon the listing of the Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Equity Listing Agreement with the Stock Exchanges, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act and the Equity Listing Agreement with the Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Currently, our Board has eight Directors. In compliance with the requirements of clause 49 of the Equity Listing Agreement with the Stock Exchanges, we have two executive directors and six non executive directors, including four independent directors on our Board.

Committees of our Board

Audit and Risk Committee

The members of the Audit and Risk Committee are:

1. JRF Walls, *Chairman*;
2. CL Cooney;
3. DM Bradbury;
4. PF Blackburn; and
5. CP Rosenberg.

The Audit Committee was constituted by a meeting of our Board of Directors held on April 16, 2001 and re-constituted by a meeting of our Board of Directors held on July 23, 2014 pursuant to which the Audit Committee was consolidated with the Risk Review Committee and renamed as the Audit and Risk Committee. The terms of reference of the Audit and Risk Committee were further revised by a meeting of our Board of Directors on March 11, 2015. The scope and functions of the Audit and Risk Committee is in accordance with Section 177 of the Companies Act, 2013 and Clause 49 of the Equity Listing Agreement and its terms of reference include the following:

- a) To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Reviewing, with the management, the quarterly, half yearly and annual financial statements before submission to the board for approval;
- c) To review, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (i) Changes, if any, in accounting policies and practices and reasons for the same;
 - (ii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - (iii) Significant adjustments made in the financial statements arising out of audit findings;
 - (iv) Compliance with other legal requirements relating to financial statements;
 - (v) Compliance with applicable Accounting Standard issued by ICAI or other appropriate authority;
 - (vi) Disclosure of any related party transactions and review of subsequent modification of transactions of the company with related parties;
 - (vii) Scrutiny inter corporate loans and investments;
 - (viii) Valuation of undertakings or assets of the company, wherever it is necessary;

- (ix) Qualifications in the draft audit report; and
 - (x) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of section 134 of the Companies Act, 2013.
- d) Mandatorily review the management discussion and analysis of financial condition and results of operations;
 - e) Mandatorily review the statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - f) 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 offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - g) To make recommendations to the Board on any matter relating to financial management including the Audit Report, which shall be binding on the Board. To record the reasons, if the Board does not accept the recommendations and communicate such reasons to the shareholders;
 - h) Reviewing, with the management, auditor's independence, effectiveness of audit process and performance of statutory auditors;
 - i) Recommending to the Board, the appointment, re-appointment, terms of appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
 - j) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - l) Mandatorily review the management letters / letters of internal control weaknesses issued by the statutory auditors;
 - m) Review with the statutory auditors any significant findings and follow up there on;
 - n) 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;
 - o) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
 - p) Review with internal auditors any significant findings and follow up there on;
 - q) 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;
 - r) Discussion with Internal auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - s) Mandatorily review internal audit reports relating to internal control weaknesses;
 - t) Establish a vigil mechanism for directors and employees to report their genuine concerns or grievances;
 - u) To review the implementation and functioning of the Whistle Blower & Vigil Mechanism in the Company;

- v) To review the financial statements, in particular, the investments made by the unlisted subsidiary company;
- w) Assess the qualifications, experience and background, etc. of the candidate in the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function);
- x) Mandatorily review the appointment, removal and terms of remuneration of the chief internal auditor;
- y) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- z) Review and evaluate the internal financial controls and risk management system;
- aa) 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; and
- bb) To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance.

The Audit and Risk Committee shall have the following powers:

- a) To engage outside consultants/professional, as deemed fit, to assist in discharge of related functions and to secure his attendance, if considered necessary;
- b) To investigate any activity within its terms of reference;
- c) To seek information from any employee of the company; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit and Risk Committee is required to meet at least four times in a year under Clause 49 of the Equity Listing Agreement.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. CL Cooney, *Chairman*;
2. JRF Walls;
3. DM Bradbury; and
4. PF Blackburn.

The Nomination and Remuneration Committee was constituted by a meeting of the Board held on April 23, 2014. The terms of reference of the Nomination and Remuneration Committee were further revised by a meeting of our Board of Directors on March 11, 2015. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013.

The terms of reference of the Nomination and Remuneration Committee include:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall

carry out evaluation of every director's performance. The company shall disclose the remuneration policy and the evaluation criteria in its Annual report;

- e) Analysing, monitoring and reviewing various human resource and compensation matters;
- f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
- g) Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
- h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- i) Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- j) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
 - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as and when the same come into force; or
 - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003; and
- k) Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

- 1. JRF Walls, *Chairman*;
- 2. CL Cooney;
- 3. DM Bradbury;
- 4. PF Blackburn; and
- 5. CP Rosenberg

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on July 23, 2014. The terms of reference of the Stakeholders' Relationship Committee were revised by our Board of Directors at their meeting held on March 11, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013. The terms of reference of the Stakeholders' Relationship Committee of our Company include the following:

- (i) Redressal of shareholders'/investors' grievances;
- (ii) Allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (iii) Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- (iv) Non-receipt of declared dividends, balance sheets of the Company or any other documents or information to be sent by the Company to its shareholders; and
- (v) Carrying out any other function as prescribed under in the Equity Listing Agreement.

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

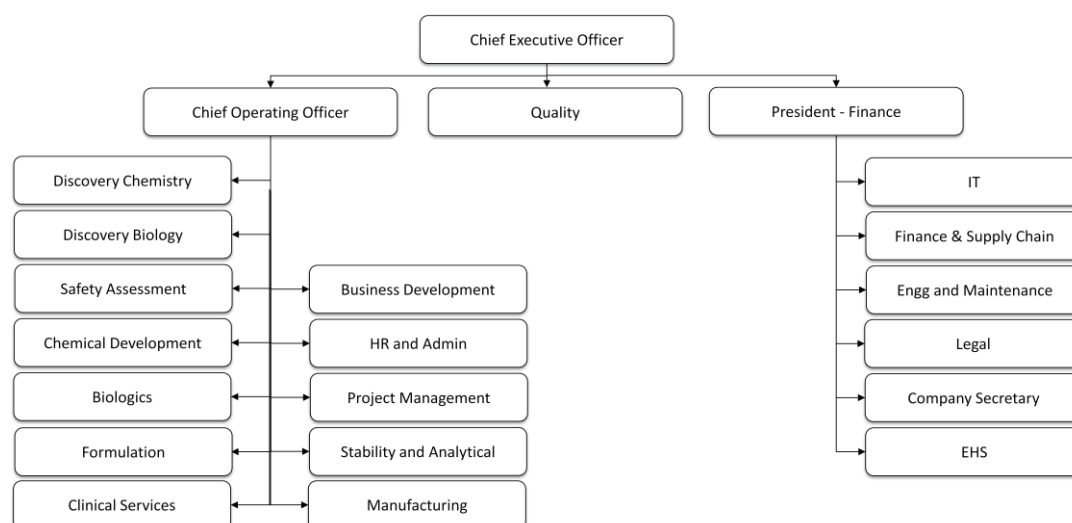
1. CP Rosenberg; *Chairman*
2. Kiran Mazumdar Shaw; and
3. DM Bradbury.

The Corporate Social Responsibility Committee was constituted by our Board at their meeting held on October 23, 2013. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

- a) Owning the corporate social responsibility policy and making recommendations to the Board for any changes to the policy (or related activities) from time to time;
- b) Overseeing the implementation of corporate social responsibility policy;
- c) Reviewing and approving programs/ spend/ allocation of fund towards various corporate social responsibility activities;
- d) Approving external partner selection towards execution of corporate social responsibility activities;
- e) Receiving periodic status reports relating to corporate social responsibility (programs, plans, status, spend etc.) from program managers and review them to ensure that it remains an integral part of the Biocon group's strategy and its implementation in practice and that the Company's social, environmental and economic activities are aligned with each other;
- f) Consider any other corporate social responsibility related topics as referred to it by the Board;
- g) Report to the Board on its proceedings after each meeting on all matters within its scope;
- h) To work in close coordination with the managing director / program managers, in order to achieve effective implementation of corporate social responsibility activities;
- i) To ensure that the prescribed disclosure as applicable under Companies Act, 2013 or any other statutes are made at appropriate place in annual report/other documents; and
- j) Review the implementation status of mitigation plans relating to gaps in the corporate social responsibility process.

In addition, our Board has also constituted an IPO Committee on March 11, 2015, which is authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel (other than the Managing Director and Chief Executive Officer) of our Company are as follows:

Manoj Nerurkar is the Chief Operating Officer of our Company. He holds a Ph.D in pharmaceutical chemistry from the University of Kansas and has completed a 2-year certification program in business administration from the Wharton School of the University of Pennsylvania. He has over 19 years of experience in pharmaceutical industry. Prior to joining our Company, he worked with Novartis Healthcare Private Limited as project manager - TRD. He has been with our Company since 2009. During Financial Year 2015, he was paid a gross compensation of ₹22.5 million.

MB Chinappa is the Chief Financial Officer of our Company. He holds a bachelors degree in commerce from St. Joseph's College of Commerce, Bangalore and is a member of the ICAI. He has over 22 years of experience in the field of finance. Prior to joining our Company he worked with Biocon Limited as group vice president (finance). He has been with our Company since 2008. During Financial Year 2015, he was paid a gross compensation of ₹24.9 million.

Dhananjay Patankar is the Head (Pharmaceutical and Biopharmaceutical Development) of our Company. He holds a Ph.d in chemical engineering from the University of Utah, USA and a post doctoral fellowship at the Department of Chemical and Biochemical Engineering, Rutgers University, USA. He has over 20 years of experience in biotechnology. Prior to joining our Company he worked with Indus Biotherapeutics Limited as chief operating officer. He has been with our Company since 2010. During Financial Year 2015, he was paid a gross compensation of ₹10.8 million.

Anita Chugh is the Head (Biology) of our Company. She holds a masters degree in science, a Ph.D from the All India Institute of Medical Sciences and post doctoral fellowship from the McMaster's University in Ontario, Canada in neuropharmacology. She has over 20 years of experience in the field of discovery biology. Prior to joining our Company she worked with Aurigene Discovery Technologies Limited as a research director. She has been with our Company since 2011. During Financial Year 2015, she was paid a gross compensation of ₹6.9 million.

Jegadeesh Thampi is the research director and Head (Chemical Development) of our Company. He holds a Ph.D in chemical technology from University Department of Chemical Technology, Mumbai and an executive post graduate diploma in management from the Indian Institute of Management, Kozhikode. He conducted his post doctoral research at the Institute National Polytechnic Toulouse, France. He has about 14 years of research and development experience with chemical and catalysis industries and institutes. Prior to joining our Company, he worked with GE India Technology Centre as a research scientist. He has been with our Company since 2005. During Financial Year 2015, he was paid a gross compensation of ₹5.3 million.

Subhash Thuluva is the Head – Clinical Development in our Company. He holds a master's degree in science from University of Applied Sciences, Reutlingen University, Germany and a Ph.d in Natural Science from University of Bonn, Germany. He has over 13 years of experience in the field of clinical development. Prior to joining of our Company he worked with Novartis Healthcare Private Limited as a group lead – global clinical operations. He has been with our Company since 2014. During Financial Year 2015, he was paid a gross compensation of ₹3.5 million.

Purushottam Singnurkar is a research director in our Company. He holds a masters degree in pharmacy from the University of Pune and a Ph.D from the Birla Institute of Technology. He has over 20 years of experience in the field of formulation. Prior to joining of our Company he worked with Sandoz Development Center as a group head – formulation development. He has been with our Company since 2012. During Financial Year 2015, he was paid a gross compensation of ₹5.5 million.

Mayank Verma is the Company Secretary and Compliance Officer of our Company. He holds a masters degree in business administration from Barkatullah Vishwavidyalaya, Bhopal and is a member of the ICSI. He has over nine years of experience in the field of corporate compliance. Prior to joining our Company he worked with ING Vysya Bank Limited as Assistant Company Secretary. He has been with our Company since 2012. During Financial Year 2015, he was paid a gross compensation of ₹1.8 million.

None of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company.

Shareholding of Key Management Personnel

Except for Kiran Mazumdar Shaw who holds 7,638 Equity Shares, none of the Key Management Personnel hold any Equity Shares as of the date of this Draft Red Herring Prospectus. However, the following Key Management Personnel have been granted employee stock options under ESOP 2011, which have vested. These options have not been exercised as of the date of this Draft Red Herring Prospectus. The details of the options are as follows:

Sl. No.	Name of the Key Management Personnel	No. of Options Granted
1.	Manoj Nerurkar	540,812
2.	MB Chinappa	540,812
3.	Jegadeesh Thampi	94,054
4.	Dhananjay Patankar	71,609
5.	Anita Chugh	58,427
6.	Purushottam Singnurkar	45,602
7.	Mayank Verma	9,619

Bonus or profit sharing plan of the Key Management Personnel

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to each Key Management Personnel.

Interests of Key Management Personnel

Except for Kiran Mazumdar Shaw who holds Equity Shares in our Company, none of the Key Management Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to, as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options granted to them under ESOP 2011. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

No loans have been availed by the Key Management Personnel from our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Manoj Nerurkar	Chief Operating Officer	July 1, 2012	Promotion from Vice President – Small Molecule Discovery and Development
Mayank Verma	Company Secretary	August 1, 2012	Appointment
Purushottam Singnurkar	Research Director	August 2, 2012	Appointment
Subhash Thuluva	Head – Clinical Development	July 16, 2014	Appointment
Peter Bains	Chief Executive Officer	February 2, 2015	Appointment

Payment or Benefit to officers of our Company

Except as stated otherwise in this Draft Red Herring Prospectus and any statutory payments made by our Company, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the Key Management Personnel and our Directors within the two preceding years.

Employee stock option plan

For further details refer to "Capital Structure" on page 68.

OUR PROMOTER AND PROMOTER GROUP

Biocon is the Promoter of our Company. Our Promoter currently holds 167,217,843 Equity Shares, equivalent to 83.6% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. Our Promoter will continue to hold 72.6% of the post-Offer paid-up Equity Share capital.

Our Company was promoted by Kiran Mazumdar Shaw, a promoter of Biocon. On March 30, 2002, 99.9 per cent of the equity shares of the Company were transferred to Biocon and as a result, our Company became the subsidiary of Biocon. Biocon has since been the Promoter of our Company. For further details, see “Capital Structure” on page 68.

Biocon Limited

Corporate Information

Biocon was incorporated as Biocon India Private Limited on November 29, 1978 at Bengaluru, Karnataka as a private limited company under the Companies Act, 1956. Thereafter Biocon was converted into a public limited company and the name of Biocon was changed to Biocon India Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued on June 18, 2001. Biocon’s name was thereafter changed from Biocon India Limited to Biocon Limited. A fresh certificate of incorporation consequent on change of name was issued on November 19, 2003. The registered office of Biocon is 20th KM, Hosur Road, Hebbagodi, Bengaluru 560 100, Karnataka, India.

Biocon is engaged in the business of manufacturing, processing, distilling, compounding, formulating, acquiring, buying, selling, importing, exporting and dealing in all enzyme products from animal, microbial, plant sources, products from fish sources, vegetable and herb extracts, agricultural products including cattle feed and all chemical heavy or fine, organic, inorganic, biological, or any other formulations and compounds thereof from mineral origin or from other chemicals or from by products or waste products of other trades and industries and other branded preparations and compounds, derivatives and formulations thereof and consumer products based thereon, pharmaceutical specialities, surgical specialities, cosmetics, germicides, detergents and acids.

Biocon’s equity shares have been listed on the BSE and the NSE since April 7, 2004.

Biocon is promoted by Kiran Mazumdar Shaw, JMM Shaw and Glentec International. Glentec International is promoted by JMM Shaw.

Board of directors

The board of directors of Biocon as on the date of this Draft Red Herring Prospectus are as under:

Sl. No.	Name	Designation
1.	Kiran Mazumdar Shaw	Executive Chairman and Managing Director
2.	JMM Shaw	Executive Vice Chairman
3.	Dr. Arun Chandravarkar	CEO and Joint Managing Director
4.	Ravi Mazumdar	Non Executive Non Independent Director
5.	JRF Walls	Independent Director
6.	CL Clooney	Independent Director
7.	Suresh N Talwar	Independent Director
8.	Bala S Manian	Independent Director
9.	Mary Harney	Independent Director
10.	DM Bradbury	Independent Director
11.	Jeremy Levin	Independent Director
12.	Vijay Kumar Kuchroo	Independent Director

For details in relation to the shareholding of the directors of Biocon in our Company, see “Capital Structure” on page 68.

Changes in the management and control

There has been no change in the management and control of Biocon in the three years preceding the date of this Draft Red Herring Prospectus.

Shareholding pattern

The authorised capital of Biocon is ₹1,100,000,000, divided into 220,000,000 equity shares of the face value of ₹5 each. The issued, subscribed and paid-up share capital of Biocon is ₹1,000,000,000, divided into 200,000,000 equity shares of the face value of ₹5 each.

The equity shareholding pattern of Biocon as on March 31, 2015 is as follows:

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialised form	Total shareholding as a % of total number of shares		Shares Pledged or otherwise encumbered	
					As a % of (A + B)	As a % of (A + B + C)	Number of shares	As a % of Total number of shares
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	5	80,847,694	8,084,694	40.4	40.4	50,000	0.0
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(1)	5	80,847,694	8,084,694	40.4	40.4	50,000	0.0
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	2	1,665,558	1,665,558	0.8	0.8	-	-
(b)	Bodies Corporate	1	39,535,194	39,535,194	19.8	19.8	-	-
(c)	Institutions	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (A)(2)	3	41,200,752	41,200,752	20.6	20.6	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	8	122,048,446	122,048,446	61.0	61.0	50,000	0.0
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	45	6,930,213	6,930,213	3.5	3.5	-	0.0
(b)	Financial Institutions/ Banks	23	9,815,657	9,815,657	4.9	4.9	-	0.0
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	123	21,460,044	21,460,044	10.7	10.7	-	0.0
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-
(h)	Any Other (specify)	-	-	-	-	-	-	-
	Sub-Total (B)(1)	191	38,205,914	38,205,914	19.1	19.1	-	0.0
(2)	Non-institutions							
(a)	Bodies Corporate	1,178	5,291,631	5,291,631	2.7	2.7	-	0.0
(b)	Individuals							
(i)	Individual Shareholders holding nominal share capital up to ₹1 lakh.	105,657	15,377,790	15,330,952	7.7	7.7	-	0.0
(ii)	Individual Shareholders holding nominal share capital in excess of ₹1 lakh.	69	9,528,148	9,260,076	4.8	4.8	-	0.0
(d)	Any Other (specify)	2,892	9,548,071	9,375,677	4.8	4.8	-	0.0
(i)	Non Resident Indians	2,638	1,169,738	997,344	0.6	0.6	-	0.0
(ii)	Trusts	11	8,137,898	8,137,898	4.1	4.1	-	0.0
(iii)	Clearing Members	243	240,435	240,435	0.1	0.1	-	0.0
	Sub-Total (B)(2)	109,796	39,745,640	39,258,336	19.9	19.9	-	0.0
	Total Public Shareholding (B)= (B)(1)+(B)(2)	109,987	77,951,554	77,464,250	39.0	39.0	-	0.0
	TOTAL (A)+(B)	109,995	200,000,000	199,512,696	100.0	100.0	50,000	0.0
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group	-	-	-	-	-	-	-
(2)	Public	-	-	-	-	-	-	-
	Total (C)	-	-	-	-	-	-	-
	TOTAL (A)+(B)+(C)	109,995	200,000,000	199,512,696	0.0	100.0	50,000	0.0

Our Company confirms that the PAN, bank account number, the company registration number and address of the RoC where Biocon is registered shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interest of Promoter in promotion of our Company

Our Promoter is interested in our Company to the extent it has promoted our Company and to the extent of its shareholding and the dividend payable, if any and other distributions in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoter in our Company, see “Capital Structure” on page 68.

Interest of Promoter in property of our Company

Our Promoter’s SEZ developer division has entered into agreements to lease land and provide certain facilities, such as power and utilities to the SEZ units of our Company, in respect of which our Promoter recovers rent, power and facilities usage charges. For further details, see “Our Business” and “Related Party Transactions” on pages 115 and 173, respectively.

Except as stated in this section, our Promoter has no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business Interests

In addition to the disclosure stated in this section, our Promoter is interested in our Company and our Group Entities with which our Company transacts during the course of its operations to the extent of its shareholding. For details see “History and Certain Corporate Matters” and “Our Group Entities” on pages 137 and 166, respectively.

Our Promoter undertakes the business of contract manufacturing, which is also an activity undertaken by our Company and hence, there may be a conflict of interest between our Promoter and our Company.

Our Promoter, is also interested in our Group Entities, namely Biocon Pharma Limited, Biocon Research Limited and Biocon Sdn. Bhd., whose memorandum of association allows them to conduct activities similar to those conducted by our Company. However, as on the date of the Draft Red Herring Prospectus they are not in a similar line of business as our Company and hence, there is no conflict of interest between Biocon Pharma Limited, Biocon Research Limited, Biocon Sdn. Bhd. and our Company. For further details, see “Our Group Entities” and “Related Party Transactions” on pages 166 and 173, respectively.

Our Promoter is not interested as a member of a firm or company and no sum has been paid or agreed to be paid to our Promoter or to such firm or company in cash or shares or otherwise by any person for services rendered by our Promoter or by such firm or Company in connection with the promotion or formation of our Company, except as disclosed in this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Promoter, Promoter Group and Company during the last Financial Year, the nature of transactions and the cumulative value of transactions, see “Related Party Transactions” on page 173.

Interest of Promoter in Sales and Purchases

Other than as disclosed in “Related Party Transactions” on page 173, there are no sales/purchases between our Company and our Promoter Group and Group Entities when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group and Group Entities, as on the date of the last financial statements.

Payment of benefits to our Promoter or our Promoter Group

Except as stated in the “Related Party Transactions”, “Our Management” and “Our Promoter and Promoter Group” on pages 173, 146 and 162, respectively, neither has there been any payment of benefits to our Promoter or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus, nor is there

any intention to pay or give any benefit to our Promoter or Promoter Group.

Except as stated in the “Related Party Transactions” and “Our Promoter and Promoter Group” on pages 173 and 162, respectively, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoter is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with.

Litigation involving our Promoter

For details of legal and regulatory proceedings involving our Promoter, see “Outstanding Litigation and Material Developments” on page 211.

Confirmations

Our Promoter has not been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by our Promoter in the past and no proceedings for violation of securities laws are pending against our Promoter.

Our Promoter and members of our Promoter Group have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of the Offer against our Promoter, except as disclosed under “Outstanding Litigation and Material Developments” on page 211.

Our Promoter is not and has never been a promoter or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoter is not related to any of the sundry debtors of our Company.

Sick Company

No winding up proceedings have been initiated against our Promoter.

Neither our Promoter nor any of our Promoter Group companies have become defunct in the five years preceding the date of this Draft Red Herring Prospectus.

Companies with which our Promoter have disassociated in the last three years

Our Promoter has not disassociated itself from any company or firm during the three years preceding this Draft Red Herring Prospectus.

Change in the management and control of our Company

There has not been any change in the management or control of our Company within five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

Promoter Group

Our Promoter, our Group Entities, Glentec International, Biocon Limited Employee Welfare Trust and Kiran Mazumdar Shaw form our Promoter Group.

OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The details of our Group Entities are provided below:

A. Details of Group Entities with negative networth

Biocon Research Limited, one of our Group Entities, had a negative net worth as per the last disclosed financial statements. For further details, see “*Our Group Entities – Details of Group Entities*” below.

B. Details of Group Entities

1. *Biocon Research Limited (“BRL”)*

Corporate Information

BRL was incorporated on May 28, 2008 under the Companies Act, 1956 as a public limited company. It has its registered office at 20th KM, Hosur Road, Electronics City P.O., Bengaluru 560 100, Karnataka, India. BRL is engaged in the business of research and development of new drugs, new drug delivery systems, new routes of drug administration, new medical devices and sensors, new diagnostics, the process and / or product development for manufacturing, formulation and packaging development, development of analytical and characterisation methods, biochemical and immunological analysis, biomarker analysis, preclinical studies, pharmacology and toxicology studies, bio equivalence and clinical studies, validation of process and commercial research in the area of bio technology and drug discovery, to undertake contractual research for companies in India and abroad, inclusive of Government sponsored enterprises and to undertake custom synthesis of research based compounds.

Interest of our Promoter

Biocon holds 499,400 equity shares of the face value of ₹1 each and 600 equity shares of the face value of ₹1 each are held by six individuals equally on behalf of Biocon. Hence, BRL is a wholly owned subsidiary of Biocon.

Financial Information

The operating results of BRL for the last three Financial Years are as follows:

(in ₹million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity capital	0.5	0.5	0.5
Revenue from operations and other income	646.2	253.6	161.2
Profit/(Loss) after tax	(414.8)	(898.7)	(403.9)
Reserves (excluding revaluation reserves) and Surplus	(2,090.4)	(1,675.7)	(776.9)
Earnings per share (in ₹)	(829.5)	(1,797.3)	(807.8)
Diluted earning per share (in ₹)	(829.5)	(1,797.3)	(807.8)
Net Asset Value per share (in ₹)	(4,179.8)	(3,350.3)	(1,552.9)

Matters of Emphasis/Qualifications reported by the auditors for the last three Financial Years

For Financial Year 2012

- As at March 31, 2012, BRL has accumulated losses of ₹777.0 million (March 31, 2011 - ₹373.1 million) against equity of ₹0.5 million (March 31, 2011 - ₹0.5 million). These conditions indicate the existence of a material uncertainty that may cast a doubt about BRL’s ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its holding company. These mitigating factors have been more fully discussed in the financial statements, in view of which the accompanying financial statements

have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

- BRL has used short term funds, that is current liabilities of approximately ₹1,212.0 million, for funding the losses and for purchase of fixed assets as at March 31, 2012.

For Financial Year 2013

- As at March 31, 2013, BRL has accumulated losses of ₹1,675.7 million (March 31, 2012 - ₹777.0 million) against equity of ₹0.5 million (March 31, 2012 - ₹0.5 million). These conditions indicate the existence of a material uncertainty that may cast a doubt about BRL's ability to continue as a going concern, which is dependent on establishing profitable operations and obtaining continuing financial support from its holding company. These mitigating factors have been more fully discussed in the financial statements, in view of which the financial statements have been prepared under the going concern assumption, and consequently no adjustments have been made to the carrying values or classification of balance sheet accounts. The auditor's report for the year ended March 31, 2012 also included a matter of emphasis in this regard. The auditor's opinion is not qualified in respect of this matter.
- BRL has used short term funds, that is current liabilities of approximately ₹16.1 million, for funding the losses and for purchase of fixed assets as at March 31, 2013.

For Financial Year 2014

- BRL's accumulated losses at the end of the the financial year are more than 50% of its net worth and it has incurred cash losses in the current and immediately preceding financial year.
- BRL has used short term funds, that is current liabilities of approximately ₹575.0 million, for funding the losses and for purchase of fixed assets as at March 31, 2014.

Except as disclosed above, there are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

2. Biocon SA

Corporate Information

Biocon SA was incorporated on April 21, 2008 under Article 620 of the Civil Liability Code as a limited company. It has its registered office at Delemont, Switzerland. Biocon SA is engaged in the business of participation and investment in companies, active in the field of biotechnology and pharmacy, based in the European Union and in the United States. Biocon SA may also acquire, manage and market patents or any other intellectual property items directly or through the intermediary of subsidiaries.

Interest of our Promoter

Biocon holds 1,000 equity shares of the face value of CHF 100 each, constituting 100.0% of the issued and paid up equity share capital of Biocon SA.

Financial Information

The operating results of Biocon SA for the last three Financial Years are as follows:

(in CHF million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity capital	0.1	0.1	0.1
Revenue from operations and other income	23.3	48.2	41.2
Profit/Loss after tax	1.1	30.7	3.7
Reserves (excluding revaluation	36.7	38.2	6.8

Particulars	For the Financial Year		
	2014	2013	2012
reserves) and Surplus			
Earnings per share (in CHF)	11.1	307.4	36.9
Diluted earning per share (in CHF)	11.1	307.4	36.9
Net Asset Value per share (in CHF)	368.3	382.6	68.8

Matters of Emphasis/Qualifications reported by the auditors for the last three Financial Years

For Financial Year 2013

- In accordance with the audit procedures carried out in accordance with Art. 728a para. 1, item 3CO and the Swiss Standard on Auditing 890, the auditor concluded that the documentation of the internal control system, designed in accordance with the instructions of the board of directors for the preparation of financial statements is ongoing as of the date of the financial statements and that the internal control system has not been implemented in all material aspects.

In the auditor's opinion, the internal control system does not comply with Swiss law and accordingly the auditor reported that they cannot confirm the existence of an internal control system for the preparation of the financial statements.

Except as disclosed above, there are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

3. Biocon Sdn. Bhd.

Corporate Information

Biocon Sdn. Bhd. was incorporated in Malaysia on January 19, 2011 under the the Companies Act, 1965 as a private limited company. It has its registered office at Level 7, Menara Millenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur. Biocon Sdn. Bhd. is engaged in the business of manufacturing, processing, distilling, compounding, formulating, acquiring, buying, selling, importing, exporting, and dealing in all products in the fields of drug discovery, biotechnology, pharmaceuticals, bio-pharmaceuticals, bio-informatics, medicinal sciences, life sciences, natural sciences, physical sciences, chemical sciences, bio sciences, agro based products and to undertake such other related and allied activities but not limited to drug substance and drug development and manufacturing, custom pharmaceutical services, vivarium services, animal research, preclinical and clinical trials, clinical drug development, clinical laboratory and clinical data management.

Interest of our Promoter

Biocon holds 4,815,374 equity shares of the face value of RM 10 each constituting 72.4% of the issued and paid up equity share capital of Biocon Sdn. Bhd. Biocon SA holds 1,837,384 equity shares of the face value of RM 10 each, constituting 27.6% of the issued and paid up equity share capital of Biocon Sdn. Bhd.

Financial Information

The operating results of Biocon Sdn. Bhd. for the last three Financial Years are as follows:

(in RM million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity capital	68.2	57.4	45.0
Revenue from operations and other income	1.7	0.1	-
Profit/Loss after tax	(2.1)	(1.0)	(0.3)
Reserves (excluding revaluation reserves) and	(3.40)	(1.30)	(0.3)

Particulars	For the Financial Year		
	2014	2013	2012
Surplus			
Earnings per share (in RM)	(0.3)	(0.2)	(0.1)
Diluted earning per share (in RM)	(0.3)	(0.2)	(0.1)
Net Asset Value per share (in RM)	9.5	9.8	9.9

Matters of Emphasis/Qualifications reported by the auditors for the last three Financial Years

There are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

4. *NeoBiocon FZ LLC (“NeoBiocon”)*

Corporate Information

NeoBiocon was incorporated on April 28, 2007 under the laws of the Dubai Technology and Media Free Zone as a private limited company. It has its registered office at Dubai Technology and Media Free Zone in Dubai – United Arab Emirates. NeoBiocon is engaged to carry on all such businesses as the Dubai Technology and Media Free Zone Authority may permit under the terms of the license to be issued by such authority. NeoBiocon is engaged in the import, re-export, marketing, sales and promotion, storage and support service of therapeutics.

Interest of our Promoter

Biocon holds 153 equity shares of the face value of AED 1,000 each, constituting 51.0% of the issued and paid up equity share capital of NeoBiocon and Dr. BR Shetty holds 147 equity shares of the face value of AED 1,000 each, constituting 49.0% of the issued and paid up share capital of NeoBiocon.

Financial Information

The operating results of NeoBiocon for the last three Financial Years are as follows:

(in AED million, except per share data)

Particulars	For the Financial Year		
	2014	2013	2012
Equity capital	0.3	0.3	0.3
Revenue from operations and other income	39.1	31.3	17.5
Profit/Loss after tax	6.7	8.9	4.9
Reserves (excluding revaluation reserves) and Surplus	23.4	16.7	7.6
Earnings per share (in AED)	22,391.8	29,813.1	16,516.5
Diluted earning per share (in AED)	22,391.8	29,813.1	16,516.5
Net Asset Value per share (in AED)	79,039.6	56,647.8	26,834.7

Matters of Emphasis/Qualifications reported by the auditors for the last three Financial Years

There are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

5. *Biocon Academy*

Corporate Information

Biocon Academy was incorporated on December 3, 2013 under section 25 of the Companies Act, 1956 as a private limited company. It has its registered office at Biocon House, 4th Floor, Tower – 3, Semicon Park, Electronic City, Phase II, Hosur Road, Bengaluru 560 100, Karnataka, India. Biocon

Academy is engaged in the business of (i) providing educational courses, training and research in the biosciences, life sciences and all fields of study; (ii) initiating, carrying out, executing, implementing, aiding and assisting activities towards skill development in the biosciences sector in India and meeting the requirements of appropriately trained manpower in quantity and quality on a sustained and evolving basis; (iii) establishing and promoting academies of excellence; (iv) entering into any arrangements with any other companies or organisations to conduct education /certification or training programs including tailor-made programs as required by such organisations for consideration, conducive to the objects of the company; (v) running educational institutions, training institutions, research institutions, training of trainers establishment and any other establishment as may be required in due course of functioning of the Company and in furtherance of its objects, and publish books, reports journals, magazines, newspapers, periodicals, thesis, researches, writings, discoveries, documents, news and information.

Interest of our Promoter

Biocon holds 49,998 equity shares of the face value of ₹10 each, constituting 100.0% of the issued and paid up equity share capital of Biocon Academy. Kiran Mazumdar Shaw and JMM Shaw each hold one equity shares of the face value of ₹10 each of Biocon Academy.

Financial Information

The operating results of Biocon Academy for the last three Financial Years are as follows:

<i>(in ₹million, except per share data)</i>	
₹Particulars	For the Financial Year 2014*
Equity capital	0.5
Revenue from operations and other income	4.5
Profit/Loss after tax	-
Reserves (excluding revaluation reserves) and Surplus	-
Earnings per share (in ₹)	-
Diluted earning per share (in ₹)	-
Net Asset Value per share (in ₹)	10.0

* Since Biocon Academy was incorporated on December 31, 2013, there is no financial information for the Financial Years ended March 31, 2013 and 2012.

Matters of Emphasis/Qualifications reported by the auditors for the last three Financial Years

There are no matters of emphasis/qualifications of the auditors in relation to the aforementioned financial statements.

6. *Biocon Pharma Limited (“BPL”)*

Corporate Information

BPL was incorporated on October 31, 2014 under the Companies Act, 2013 as a public limited company. It has its registered office at 20th KM, Hosur Road, Electronics City, Bengaluru 560 100, Karnataka, India. BPL is engaged in the business in India or elsewhere of manufacturing, formulating, processing, developing, refining, importing, exporting, either on wholesale and/or retail trade, all kinds of pharmaceutical, bio-pharmaceutical products of any kind, including products of synthetic, organic, inorganic or of biological origins, antibiotics, drugs, medicines, biologicals, nutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products, dry salters, and other restoratives or foods and also dealing in medicinal goods, surgical instruments, cosmetics, patent medicines, soaps, hospital requisites, proprietary medicines, veterinary medicines and tinctures extracts and carrying on the business of vialling, bottling, packing, repackaging, and also carrying on the business of chemists, druggists, buyers, sellers, agents, distributors and stockists of all kinds of pharmaceuticals and allied products.

Interest of our Promoter

Biocon holds 49,994 equity shares of the face value of ₹10 each and six equity shares of the face value

of ₹10 each are held by six individuals equally, on behalf of Biocon. Hence, BPL is a wholly owned subsidiary of Biocon.

Financial Information and significant notes of the auditors for the last three Financial Years

Since BPL was incorporated on October 31, 2014, there is no financial information and matters of emphasis/qualifications of the auditors in relation to the Financial Years ended March 31, 2014, 2013 and 2012.

C. Nature and Extent of Interest of Group Entities

1. *In the promotion of our Company*

None of our Group Entities have any interest in the promotion or any business interest or other interests in our Company.

2. *In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI*

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

3. *In transactions for acquisition of land, construction of building and supply of machinery*

None of our Group Entities is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

D. Common Pursuits among the Group Entities with our Company

The memorandum of association of BPL, BRL and Biocon Sdn. Bhd allows them to undertake a business similar to our Company. However, as on the date of the Draft Red Herring Prospectus they are not in a similar line of business as our Company and hence there are no common pursuits between BPL, BRL, Biocon Sdn. Bhd. and our Company.

E. Related Business Transactions within the Group Entities and significance on the financial performance of our Company

For more information, see “Related Party Transactions” on page 173.

F. Significant Sale/Purchase between Group Entities and our Company

Except as stated in “Related Party Transactions” on page 173, none of our Group Entities is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

G. Business Interest of Group Entities

Other than as stated above, none of our Group Entities have any business interest in our Company.

H. Defunct Group Entities

None of our Group Entities remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. Further, none of our Group Entities fall under the definition of sick companies under Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up.

I. Loss making Group Entities

Biocon Sdn. Bhd and BRL have made a loss in the immediately preceding year.

J. Other Confirmations

None of the securities of our Group Entities are listed on any stock exchange and none of our Group Entities have made any public or rights issue of securities in the preceding three years.

None of our Group Entities have been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

None of our Group Entities have been identified as wilful defaulters by the RBI or other authorities

K. Litigation involving our Group Entities

For details of legal and regulatory proceedings involving our Group Entities, see “Outstanding Litigation and Material Developments” on page 211.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the last five Financial Years and the nine months period ended December 31, 2014, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*', see section "Financial Statements – Annexure XXIV" on page F-35.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “Financial Indebtedness” on page 176. The Company has no formal dividend policy. Our Company has not declared any dividends from Financial Year 2010 to Financial Year 2014.

Our Board has, pursuant to its meeting dated September 10, 2014, declared and paid an interim dividend of ₹21 on the face value of ₹5 per equity share during the nine months ended December 31, 2014.

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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AUDITORS REPORT

Report of auditors on the restated summary statement of assets and liabilities as at December 31, 2014, March 31, 2014, 2013, 2012, 2011 and 2010 and the restated summary statement of profits and losses and cash flows for the nine month period ended December 31, 2014 and for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 of Syngene International Limited

The Board of Directors
Syngene International Limited
Biocon Park, Plot 2&3,
Bommasandra Industrial Estate - Phase-IV,
Bommasandra-Jigani Link Road,
Bangalore - 560 099,
India.

Dear Sirs,

1. We have examined the restated summary statement of assets and liabilities as at December 31, 2014 and as at March 31, 2014, 2013, 2012, 2011 and 2010 and the restated summary statement of profits and losses and cash flows for the nine month period ended December 31, 2014 and for each of the financial years ended March 31, 2014, 2013, 2012, 2011 and 2010 (collectively the “Restated Summary Statements”) of Syngene International Limited (‘the Company’), annexed to this report for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares of Rs 10 each (“IPO”). The Restated Summary Statements, which has been approved by the Board of Directors of the Company, have been prepared by the Company in accordance with the requirements of:
 - a. Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the “Act”) read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and
 - b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “Regulations”) issued by the Securities and Exchange Board of India (“SEBI”) on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.
2. We have examined such Restated Summary Statements taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated March 09, 2015, requesting us to carry out work on such Restated Summary Statements, proposed to be included in the offer document of the Company in connection with the Company’s proposed IPO; and
 - b. the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India.
3. The Company proposes to make an IPO by offer for sale by a shareholder’s existing equity shares of Rs.10 each at such price, arrived at through a book building process (referred to as the “Issue”).
4. The Restated Summary Statements has been compiled by the management from:
 - a) the interim audited financial statements of the Company as at and for the nine month period ended December 31, 2014, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on April 01, 2015 and which have been audited by us; and
 - b) the audited financial statements of the Company, as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on April 23, 2014, April 24, 2013, April 26, 2012, April 27, 2011 and April 28, 2010, respectively,

and which have been audited by us, and books of account underlying those financial statements and other records of the Company to the extent considered necessary, for the presentation of the Restated Summary Statements under the requirements of Schedule III to the Companies Act, 2013 in relation to the years ended March 31, 2011 and 2010.

5. For the purpose of our examination of the Restated Summary Statements, we have relied on:
 - a) the interim audited financial statements of the Company as at and for the nine month period ended December 31, 2014, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on April 01, 2015 and which have been audited by us; and
 - b) the audited financial statements of the Company, as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on April 23, 2014, April 24, 2013, April 26, 2012, April 27, 2011 and April 28, 2010, respectively, and which have been audited by us, and books of account underlying those financial statements and other records of the Company to the extent considered necessary, for the presentation of the Restated Summary Statements under the requirements of Schedule III to the Companies Act, 2013 in relation to the years ended March 31, 2011 and 2010.
6. In accordance with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of the Act, read with rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Regulations and terms of our engagement agreed with you, we report that, we have examined the Restated Summary Statements as at and for the nine month period ended December 31, 2014 and as at and for the years ended March 31, 2014, 2013, 2012, 2011 and 2010 as set out in Annexures I to III.
7. Based on our examination and the audited financial statements of the Company for the nine month period ended December 31, 2014 and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010, we report that:
 - a) The restated profits / (losses) have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the notes appearing in Annexure IV to this report;
 - b) There are no changes in accounting policies in the financial statements as at and for the nine month period ended December 31, 2014;
 - c) Adjustments for the material amounts in the respective financial years/period to which they relate have been adjusted in the attached Restated Summary Statements;
 - d) There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;
 - e) There are no qualifications in the auditors' reports on the interim financial statements of the Company as at and for the nine month period ended December 31, 2014 and on the financial statements of the Company as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010 which require any adjustments to the Restated Summary Statements; and
 - f) Other audit qualifications included in the annexure to the auditors' report on the financial statements for the years ended March 31, 2013, 2012, 2011 and 2010, which do not require any corrective adjustment in the financial information, are as follows.
 - A. For the year ended March 31, 2013
Clause (ix)(a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities *though there has been a slight delay in a few cases in remittance of service tax dues.*
 - B. For the year ended March 31, 2012
Clause (xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds raised on short-term basis for long-term investment. The Company has obtained short-term loans from banks amounting to Rs. 116 million as at March 31, 2012. These loans, repayable within six months, have been used for the purchase of fixed assets.*

- C. For the year ended March 31, 2011
Clause (xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds raised on short-term basis for long-term investment. The Company has obtained short-term loans amounting to Rs. 1,003 million as at March 31, 2011. These loans, repayable within six months, have been used for the purchase of fixed assets.*

- D. For the year ended March 31, 2010
Clause (xvii)

According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that *the Company has used funds raised on short-term basis for long-term investment. The Company has obtained short-term loans amounting to Rs. 1,322 million as of March 31, 2010. These loans, repayable within six months, have been used for the purchase of fixed assets.*

8. We have not audited or reviewed any financial statements of the Company as of any date or for any period subsequent to December 31, 2014. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to December 31, 2014.

Other Financial Information:

9. At the Company's request, we have also examined the following financial information proposed to be included in the offer document prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the nine month period ended December 31, 2014 and as at and for each of the years ended March 31, 2014, 2013, 2012, 2011 and 2010:
- i. Restated Statement of Reserves and surplus, enclosed as Annexure V
 - ii. Restated Statement of Long-term borrowings, enclosed as Annexure VI
 - iii. Restated Statement of Deferred tax liability (net), enclosed as Annexure VII
 - iv. Restated Statement of Other long-term liabilities and Long-term provisions, enclosed as Annexure VIII
 - v. Restated Statement of Short-term borrowings, enclosed as Annexure IX
 - vi. Restated Statement of Trade payables, Other current liabilities and Short-term provisions, enclosed as Annexure X
 - vii. Restated Statement of Non-current investments, enclosed as Annexure XI
 - viii. Restated Statement of Long-term loans and advances and Other non-current assets, enclosed as Annexure XII
 - ix. Restated Statement of Current investments, enclosed as Annexure XIII
 - x. Restated Statement of Inventories, enclosed as Annexure XIV
 - xi. Restated Statement of Trade receivables, enclosed as Annexure XV
 - xii. Restated Statement of Short-term loans & advances and Other current assets, enclosed as Annexure XVI
 - xiii. Restated Statement of Revenue from operations, enclosed as Annexure XVII
 - xiv. Restated Statement of Other income, enclosed as Annexure XVIII
 - xv. Restated Statement of Cost of chemicals, reagents and consumables consumed, enclosed as Annexure XIX
 - xvi. Restated Statement of (Increase)/ Decrease in inventories, enclosed as Annexure XX
 - xvii. Restated Statement of Employee benefits expense, enclosed as Annexure XXI
 - xviii. Restated Statement of Other expenses, enclosed as Annexure XXII

- xix. Restated Statement of Finance costs, enclosed as Annexure XXIII
 - xx. Restated Statement of Related Party Transactions, as appearing in Annexure XXIV
 - xxi. Restated Statement of Accounting Ratios, enclosed as Annexure XXV
 - xxii. Capitalisation statement, as appearing in Annexure XXVI
 - xxiii. Statement of Dividend paid, as appearing in Annexure XXVII
 - xxiv. Restated Tax shelter statement, enclosed as Annexure XXVIII
10. In our opinion, the financial information as disclosed in the Annexures to this report, read with the respective significant accounting policies and notes disclosed in Annexure IV, and after making adjustments and regroupings as considered appropriate and disclosed in Annexures IV, have been prepared in accordance with the relevant provisions of the Act and the Regulations.
11. This report should not be in any way be construed as a reissuance or redating of any of the previous auditors' reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No.:101049W
Chartered Accountants

per Aditya Vikram Bhauwala
Partner
Membership Number: 208382

Place: Bengaluru
Date: April 1, 2015

SYNGENE INTERNATIONAL LIMITED
Annexure I - Restated summary statement of assets and liabilities

		As at					Rs. in million
Annexures		December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
EQUITY AND LIABILITIES							
Shareholders' funds							
Share capital		271	261	261	241	29	29
Reserves and surplus	V	7,601	6,332	4,925	2,727	2,178	1,906
		7,872	6,593	5,186	2,968	2,207	1,935
Non - current liabilities							
Long-term borrowings	VI	-	-	-	42	-	287
Deferred tax liability (net)	VII	45	51	65	82	101	98
Other long-term liabilities	VIII	672	583	473	560	388	290
Long-term provisions	VIII	133	58	28	12	12	3
		850	692	566	696	501	678
Current liabilities							
Short-term borrowings	IX	1,830	1,549	-	926	1,450	1,673
Trade payables	X	988	766	827	643	280	375
Other current liabilities	X	891	2,212	575	566	565	423
Short-term provisions	X	109	97	88	67	38	36
		3,818	4,624	1,490	2,202	2,333	2,507
TOTAL							
		12,540	11,909	7,242	5,866	5,041	5,120
ASSETS							
Non-current assets							
Fixed assets							
Tangible assets		4,892	3,941	3,810	3,830	3,876	4,027
Intangible assets		53	-	-	-	-	-
Capital work-in-progress		729	453	88	108	9	55
Non-current investments	XI	-	1	1	1	-	-
Long-term loans and advances	XII	1,071	1,031	863	497	392	340
Other non-current assets	XII	1,213	143	110	51	-	-
		7,958	5,569	4,872	4,487	4,277	4,422
Current assets							
Current investments	XIII	258	3,520	691	-	26	109
Inventories	XIV	351	149	179	149	63	86
Trade receivables	XV	1,377	943	766	434	384	327
Cash and bank balances		1,387	916	118	377	59	66
Short-term loans and advances	XVI	439	269	160	74	64	74
Other current assets	XVI	770	543	456	345	168	36
		4,582	6,340	2,370	1,379	764	698
TOTAL							
		12,540	11,909	7,242	5,866	5,041	5,120

The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

For S.R. Battliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Kiran Mazumdar Shaw
Managing Director

JMM Shaw
Director

Place: Bengaluru
Date : April 1, 2015

M.B. Chinappa
Chief Financial Officer

Mayank Verma
Company Secretary

SYNGENE INTERNATIONAL LIMITED
Annexure II - Restated summary statement of profits and losses

Rs. in million							
		Nine month period ended	Year ended				
	Annexures	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Income							
Revenue from operations	XVII	6,081	6,995	5,500	4,167	3,219	2,669
Other income	XVIII	94	82	42	15	10	6
Total revenue (I)		6,175	7,077	5,542	4,182	3,229	2,675
Expenses							
Cost of chemicals, reagents and consumables consumed	XIX	1,826	1,898	1,485	1,146	870	704
(Increase)/ Decrease in inventories	XX	(100)	16	(33)	(23)	10	(12)
Employee benefits expense	XXI	1,491	1,556	1,235	984	800	666
Other expenses	XXII	887	1,381	1,128	689	549	443
Depreciation and amortization expense		590	656	599	547	515	451
Finance costs	XXIII	75	4	65	102	210	77
Total expenses (II)		4,769	5,511	4,479	3,445	2,954	2,329
Restated profit before tax [(I) - (II)]		1,406	1,566	1,063	737	275	346
Tax expenses							
Current tax		308	328	200	151	13	10
Less: MAT credit entitlement		(90)	(96)	(141)	(105)	(13)	(10)
Deferred tax		(6)	(14)	(17)	(19)	3	42
Total tax expense		212	218	42	27	3	42
Restated profit for the period / year		1,194	1,348	1,021	710	272	304

The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Kiran Mazumdar Shaw
Managing Director

John Shaw
Director

Place: Bengaluru
Date : April 1, 2015

M.B. Chinappa
Chief Financial Officer

Mayank Verma
Company Secretary

SYNGENE INTERNATIONAL LIMITED
Annexure III - Restated summary statement of cash flows

Particulars	Nine month period ended December 31, 2014	Year ended					Rs. in million
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	
I CASH FLOWS FROM OPERATING ACTIVITIES :							
Net profit before tax	1,406	1,566	1,063	737	275	346	
Adjustments to reconcile profits before tax to net cash flows:							
Depreciation and amortization expense	590	656	599	547	515	451	
Provision for doubtful receivables	2	10	-	-	-	-	
Employee stock compensation expense	39	56	-	-	-	-	
Unrealised exchange (gain)/loss	13	(61)	(4)	(17)	3	(47)	
Interest expense	73	2	63	101	206	75	
Dividend earned	(81)	(47)	(17)	(12)	(5)	(6)	
Other operating income	(98)	(101)	(91)	(70)	(50)	(26)	
Interest Income	-	(29)	(20)	-	-	-	
Loss on sale of assets, net	-	-	-	-	1	1	
Operating profit before working capital changes	1,944	2,052	1,593	1,286	945	794	
Movements in working capital :							
Increase/ (Decrease) in trade payables	171	(56)	186	362	(55)	84	
Increase/ (Decrease) in other liabilities	(1,540)	1,657	(8)	37	126	(49)	
Increase/ (Decrease) in provisions	55	46	32	20	10	10	
Decrease/ (Increase) in trade receivables	(344)	(203)	(326)	(37)	(56)	118	
Decrease/ (Increase) in inventories	(202)	30	(30)	(86)	23	(55)	
Decrease/ (Increase) in loans & advances	(251)	(57)	(43)	(67)	(2)	(10)	
Decrease/ (Increase) in other assets	(1,288)	(125)	(172)	(169)	(132)	-	
Cash generated from/ (used in) operations	(1,455)	3,344	1,232	1,346	859	892	
Direct taxes paid (net of refunds)	(316)	(349)	(197)	(124)	(61)	(78)	
Net cash flow from/ (used in) operating activities	(1,771)	2,995	1,035	1,222	798	814	
II CASH FLOWS FROM INVESTING ACTIVITIES :							
Purchase of tangible assets, including capital work in progress, capital advances and net of reimbursement from customers	(1,290)	(998)	(606)	(263)	(293)	(592)	
Acquisition of intangible assets	(61)	-	-	-	-	-	
Grant of loan to subsidiary	-	(199)	(235)	-	-	-	
Recovery of loan from subsidiary	-	165	-	-	-	-	
Proceeds from sale of tangible assets	-	28	12	-	22	-	
Dividend received	81	47	17	12	5	6	
Interest received	-	44	2	-	-	-	
Proceeds from current investments	4,986	3,202	2,701	2,754	2,984	3,715	
Purchase of current investments	(1,723)	(6,031)	(3,392)	(2,728)	(2,902)	(3,428)	
Purchase of non current investments (shares in subsidiary)	-	-	-	(1)	-	-	
Net cash flow from/ (used in) investing activities	1,993	(3,742)	(1,501)	(226)	(184)	(299)	
III CASH FLOWS FROM FINANCING ACTIVITIES :							
Proceeds from issuance of share capital, net of share issue expenses and amounts recoverable from Trust	1,334	-	1,197	50	-	-	
Recovery of loan from trust	40	-	-	-	-	-	
Repayment of long term borrowings	-	(45)	-	(144)	(184)	(51)	
Proceeds from long term borrowings	-	-	-	42	-	-	
Proceeds/(Repayment) from short term borrowings, net	220	1,601	(926)	(549)	(231)	(321)	
Interest paid	(73)	(2)	(64)	(98)	(206)	(78)	
Dividend paid on equity shares	(1,138)	-	-	-	-	-	
Tax on equity dividend paid	(193)	-	-	-	-	-	
Net cash flow from/ (used in) financing activities	190	1,554	207	(699)	(621)	(450)	
IV NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (I+II+III)	412	807	(259)	297	(7)	65	
Effect of exchange difference on cash & cash equivalents held in foreign currency	57	(9)	-	21	-	-	
Cash and cash equivalents at the beginning of the period/year	916	118	377	59	66	1	
Cash and cash equivalents acquired on merger (refer note 1.1 of Annexure IV)	2	-	-	-	-	-	
V CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD/YEAR	1,387	916	118	377	59	66	
COMPONENTS OF CASH AND CASH EQUIVALENTS AS AT THE END OF THE PERIOD/YEAR							
Balance with Banks:							
In current accounts	1,387	916	118	377	59	66	
	1,387	916	118	377	59	66	

The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration No.: 101049W

For and on behalf of the Board of Directors of
Syngene International Limited

per Aditya Vikram Bhauwala
Partner
Membership No.: 208382

Kiran Mazumdar Shaw
Managing Director

John Shaw
Director

Place: Bengaluru
Date : April 1, 2015

M.B. Chinappa
Chief Financial Officer

Mayanka Verma
Company Secretary

SYNGENE INTERNATIONAL LIMITED**Annexure IV: Notes to the Restated Summary Statements of assets and liabilities, profits and losses and cash flows****1. Corporate information**

Syngene International Limited ('Syngene' or 'the Company') was incorporated at Bangalore in 1993. On March 30, 2002, the Company became the subsidiary of Biocon Limited ("Biocon")

The Company is engaged in providing contract research and manufacturing services in early stage drug discovery and development to pharmaceutical and biotechnology companies worldwide. Syngene's services include discovery chemistry and biology services, toxicology, pharmaceutical development, process development / manufacture of advanced intermediates, active pharmaceutical ingredients and bio-therapeutics. Pursuant to merger, as discussed in note 1.1, the Company also undertakes clinical research activities on discovering new biomarkers and discovering new diseases subsets and novel data based on pharmacogenomics.

1.1 Scheme of arrangement

On April 23, 2014, the Board of Directors of the Company approved a scheme of amalgamation ("the Scheme") of Clinigene International Limited ("Clinigene" / "Transferor Company"), a wholly owned subsidiary, with the Company under section 391 and 394 of the Companies Act, 1956. The Honorable High Court of Karnataka ("the Court") approved the aforesaid Scheme with Appointed Date as April 01, 2014 ("Appointed Date") vide its order dated February 5, 2015 ("the Order"). The copy of the Order was filed with the Registrar of Companies on March 2, 2015. Clinigene was incorporated on August 4, 2000 at Bangalore and became a wholly owned subsidiary of Biocon on March 31, 2001. In February 2012, Syngene purchased the shares in Clinigene from Biocon.

Accordingly, the assets and liabilities, and balance in reserves and surplus of Clinigene as at Appointed Date have been recorded at their carrying values in the books of Syngene under the Pooling of Interest method as prescribed by Accounting Standard 14 - Accounting for Amalgamation ('AS 14').

A summary of the assets and liabilities of Clinigene as at April 1, 2014 is as follows:

Particulars	Rs. in million
Non-current assets	
Fixed assets	
Tangible assets	265
Capital work-in-progress	1
Long-term loans and advances	93
<i>Sub-total (i)</i>	359
Current assets	
Trade receivables	107
Cash and bank balances	3
Short-term loans and advances	5
Other current assets	4
<i>Sub-total (ii)</i>	119
Total assets [A – (i) + (ii)]	478

SYNGENE INTERNATIONAL LIMITED
Annexure IV: Notes to the Restated Summary Statements of assets and liabilities, profits and losses and cash flows

Particulars	Rs. in million
Non-current liabilities	
Long-term borrowings	269
Other long-term liabilities	6
Long-term provisions	3
<i>Sub-total (i)</i>	278
Current liabilities	
Short-term borrowings	60
Trade payables	62
Other current liabilities	59
Short-term provisions	15
<i>Sub-total (ii)</i>	196
Total liabilities [B – (i) + (ii)]	474
General reserve	1
Statement of profit and loss	2
Total reserves and surplus (C)	3

The Company held all the shares of the Transferor Company at the face value. Hence, no additional adjustment is required in the Surplus in statement of profit and loss to give effect to accounting of merger. All intercompany balances/transactions between the Company and the Transferor Company have been eliminated on merger. The financial information for the period ended December 31, 2014 include the state of affairs and results of operations of the Transferor Company and hence are strictly not comparable with the previous year's figures.

2. Basis of preparation

The restated summary statement of assets and liabilities of the Company as at December 31, 2014, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 and the related restated summary statement of profits and losses and cash flows for the nine month period ended December 31, 2014 and for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010 (herein collectively referred to as ('Restated Summary Statements')) have been compiled by the management from the audited interim financial statements for the nine month period ended December 31, 2014 and from the audited financial statements of the Company for the years ended March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and March 31, 2010, approved by the Board of Directors of the Company.

Restated Summary Statements have been prepared using recognition and measurement principles under Indian generally accepted accounting principles and using presentation and disclosure requirements of Schedule III to the Companies Act, 2013 (Also refer note 3 below on material regrouping).

Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with its proposed Initial public offering of equity shares of Rs. 10 each.

These Restated Summary Statements have been prepared by the Company to comply in all material respects with the requirements of Sub-clause (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Chapter III of The Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI Guidelines") issued by SEBI on August 26, 2009 as amended from time to time.

2.1 Summary of significant accounting policies

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible fixed assets and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Assets funded by third parties are capitalised at gross value and the funds so received are recorded as deferred revenue and amortised over the useful life of the assets/period of contract.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act 1956, whichever is higher, up to March 31, 2014. During the nine month period ended December 31, 2014, pursuant to Companies Act, 2013 applicable from April 1, 2014, management evaluated the estimates of useful lives of its fixed assets as per the requirements of Schedule II of the Companies Act, 2013 and concluded that there is no change in the estimated useful lives. Hence, there is no impact on the financial statements in this regard.

The Company has determined the following useful lives to provide depreciation on its fixed assets:

Classes of Assets	Useful lives estimated by the management (years)	Useful lives stated in Schedule II (years)
Buildings	25	30
Plant and machinery	9	10 – 15
Computers and servers	3	3 – 6
Office equipment	3	5
Furniture and fixtures	6	10
Vehicles	6	8

Used assets acquired from third parties are depreciated on straight line basis over their remaining useful life of such assets.

Management's estimates of useful lives of certain fixed assets are lower than those stated in Schedule II to the Companies Act, 2013. Management has estimated these useful lives after taking into consideration technical advice, prior asset usage experience and the risk of technological obsolescence.

c. Intangible assets and amortization of intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.

Computer Software which is not an integral part of the related hardware is classified as an intangible asset.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5, Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Computer Software is amortised over a period of five years, being its estimated useful life.

d. Impairment of tangible and intangible 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 asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognised in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Inventories

Inventories comprising chemicals, reagents and consumables are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Consumables in the nature of column are amortised over useful life estimated to be a period of 12 months from the date of issue for consumption.

f. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Contract research and manufacturing services income

In respect of contracts involving research services, in case of 'time and materials' contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts.

Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss.

In respect of contracts involving sale of compounds arising out of contract research for which separate invoices are raised, revenue is recognised when the significant risks and rewards of ownership of the compounds have passed to the buyer, and comprise amounts invoiced for compounds sold.

The Company collects service tax and sales taxes, as applicable, on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

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.

g. Investments

Investments that are readily realisable and intended to be held for not more than twelve months from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost and fair value and determined on an individual investment basis.

On the disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

h. Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employees rendered the related service and the contributions to the government funds are due. The Company has no obligation, other than the contribution payable to the provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period / year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period/year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer the settlement for 12 months after the reporting date.

i. Foreign currency translation

Foreign currency transaction and balances

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are retranslated using exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(c) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over remaining useful life of the asset.
- ii. Exchange differences arising on other long term foreign currency monetary items are accumulated in "the Foreign Currency Monetary Item Translation Difference Account" and amortized over the remaining life of the concerned monetary item.
- iii. All other exchange differences are recognized as income or as expenses in the year in which they arise.

For the purpose of (i) and (ii) above, the Company treats a foreign monetary item as "long-term foreign currency monetary item", if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(d) Forward exchange contracts are entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/loss arising on forwards contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (c)(i) and (c)(ii) above.

j. Income tax

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situation where the Company is entitled to a tax holiday under the Income-tax Act, 1961 no deferred tax (assets or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax relate to the same taxable entity and the same taxation authority.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of the profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

k. Borrowing cost

Borrowing cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition and construction of a fixed asset which takes substantial period of time to get ready for its intended use are capitalised as a part of the cost of the asset, to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are recognised as an expense in the year in which they are incurred.

l. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period / year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period / year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period / year. The weighted average number of equity shares outstanding during the period / year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period / year attributable to equity shareholders and the weighted average number of shares outstanding during the period / year are adjusted for the effects of all dilutive potential equity shares.

For the purpose of calculating Basic EPS, shares allotted to the ESOP Trust pursuant to the employee share based payment plan is not included in the shares outstanding till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions. Till such time, the shares so allotted are considered as dilutive potential equity shares for the purpose of calculating Diluted EPS.

m. Employee stock compensation costs

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. 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 expense or credit recognized in the statement of profit and loss 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.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if 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 intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

n. Operating lease

Where the Company is a Lessee

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

o. Segment reporting

Identification of segments

The Company's operating businesses are organised and managed separately according to the nature of products manufactured and services provided, with each segment representing a strategic business unit that offers different products and services to different markets. The analysis of geographical segments is based on the areas in which the major operating divisions of the Company operate.

Inter-segment Transfers

The Company generally accounts for inter-segment sales and transfers at current market prices.

Allocation of common costs

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p. Provision

A provision is recognised when the Company has a present obligation as a result of 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. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where 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 any provision is presented in the statement of profit and loss net of any reimbursement.

q. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand.

s. Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under AS 11, are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the statement of profit and loss. Net gain, if any, after considering the offsetting of loss on the underlying hedged item, is ignored.

t. Amalgamation accounting

The Company treats an amalgamation in the nature of merger if it satisfies all the following criteria:

- (i) All the assets and liabilities of the transferor company become, after amalgamation, the assets and liabilities of the transferee company.
- (ii) Shareholders holding not less than 90% of the face value of the equity shares of the transferor company (other than the equity shares already held therein, immediately before the amalgamation, by the transferee company or its subsidiaries or their nominees) become equity shareholders of the transferee company.
- (iii) The consideration for amalgamation receivable by those equity shareholders of the transferor company who agree to become shareholders of the transferee company is discharged by the transferee company wholly by the issue of equity shares, except that cash may be paid in respect of any fractional shares.
- (iv) The business of the transferor company is intended to be carried on, after the amalgamation, by the transferee company.
- (v) The transferee company does not intend to make any adjustment to the book values of the assets and liabilities of the transferor company, except to ensure uniformity of accounting policies.

All other amalgamations are in the nature of purchase.

SYNGENE INTERNATIONAL LIMITED**Annexure IV: Notes to the Restated Summary Statements of assets and liabilities, profits and losses and cash flows****3. Notes on material adjustments**

The summary of results of restatement made to the audited financial statements for the respective years and its impact on the profit / (loss) of the Company is as follows:

Rs. in million

Particulars	For the year ended				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A) Net profit as per audited financial statements	1,339	976	727	282	308
B) Adjustment					
Add/(less): Prior period items [refer note a below]	9	45	(17)	(10)	(4)
Restated Net profit (A+B)	1,348	1,021	710	272	304

Notes:**Note a – Prior period items**

In the financial years ended March 31, 2014, 2013 and 2011 certain prior period items (rent expense, consumption of inventory and depreciation expense) were identified and adjustments were recorded in the year when identified. However, for the purpose of Restated Summary Statements, such prior period items have been adjusted in the respective years to which the transaction pertains to.

Note b - Adjustments made to the audited opening balance of Surplus in the Statement of profit and loss as at April 1, 2009

	Rs in million
Surplus in the Statement of profit and loss as at April 1, 2009 as per audited financial statements	1,579
Adjustment	
Add/(less): Prior period items (refer note a above)	(23)
Surplus in the Statement of profit and loss as at April 1, 2009 (as restated)	1,556

Note c - Material regrouping

W.e.f, April 1 2014, Schedule III notified under the Companies Act, 2013 has become applicable to the Company for preparation and presentation of its financial statements. Revised Schedule VI notified under the Companies Act, 1956 became applicable to the Company from April 1, 2011, for preparation and presentation of its financial statements. The adoption of Schedule III / Revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements.

There is no significant impact on the presentation and disclosures made in the financial statements on adoption of Schedule III as compared to Revised Schedule VI. The Company has reclassified the figures for the previous financial years ended March 31, 2011 and 2010 in accordance with the requirements of Schedule III.

The audited financial statements for the years ended March 31, 2011 and 2010 were presented in thousands. The same have been presented in millions consistent with other years included in the Restated Summary Statements.

Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the nine month period ended December 31, 2014, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended).

Note d – Non-adjusting items

Certain qualifications in the Annexure to the Auditors' report on the financial statements of the Company which do not require any quantitative adjustment in the Restated Summary Statements are as follows:

- The annexure to the auditors' report for the year ended March 31, 2013 included a qualification in respect of slight delay in a few cases in remittance of service tax dues.
- The annexure to the auditors' report for the years ended March 31, 2012, 2011 and 2010 included a qualification in respect of use of funds (loans) raised on short-term basis for long-term investment amounting to Rs. 116 million, Rs. 1,003 million and Rs. 1,322 million respectively.

SYNGENE INTERNATIONAL LIMITED

Annexure IV: Notes to the restated summary statements of assets and liabilities, profits and losses and cash flows (Cont.)

4. Employee Benefit Plans

The Company has defined benefit gratuity plan as per Payment of Gratuity Act 1972.

A summary of the gratuity plan is as follows:

Fund balance	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	141	106	72	53	40	36
Fair value of plan assets	(8)	(9)	(11)	(14)	(16)	(21)
Plan Liability	133	97	61	39	24	15

The change in present value of the defined benefit obligation and funded status of the gratuity plan is as follows:

	Nine months period ended		Year ended			
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Change in benefit obligation						
Benefit obligation at the beginning of the period/year	106	72	53	40	36	25
Benefit obligation pursuant to merger (refer note 1.1)	7	-	-	-	-	-
Current service cost	14	13	20	8	7	7
Interest cost	7	6	5	3	3	2
Benefits paid	(3)	(3)	(4)	(3)	(6)	(1)
Actuarial (gain) / loss on obligation	10	18	(2)	5	-	3
Defined benefit obligation at the end of the period/year	141	106	72	53	40	36
Change in fair value of plan assets						
Fair value of plan assets at beginning of the period/year	9	11	14	16	21	20
Fair value of plan assets pursuant to merger (refer note 1.1)	1	-	-	-	-	-
Expected return on plan assets	1	1	1	1	2	2
Actuarial gain / (loss)	-	-	-	-	(1)	-
Actual contribution	-	-	-	-	-	-
Benefits paid	(3)	(3)	(4)	(3)	(6)	(1)
Fair value of plan assets at end of period/year	8	9	11	14	16	21
Expected contribution in the next financial period/year	-	39	33	27	11	12
Net gratuity cost for the period / year ended						
Components of net benefit cost						
Current service cost	14	13	20	8	7	7
Interest cost	7	6	5	3	3	2
Expected return on plan assets	(1)	(1)	(1)	(1)	(2)	(2)
Net actuarial (gain) / loss recognised during the period/year	10	18	(2)	5	1	3
Net gratuity cost	30	36	22	15	10	10
Actual return on plan assets	1	1	1	1	1	2

Experience adjustment	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Defined benefit obligation	141	106	72	53	40	36
Plan assets	8	9	11	14	16	21
Surplus/(Deficit)	(133)	(97)	(61)	(39)	(24)	(15)
Experience adjustments on plan liabilities gain/(loss)	(9)	(8)	4	(9)	(2)	(3)
Experience adjustments on plan assets gain/(loss)	-	-	-	-	(1)	-

The principal assumptions used in determining the gratuity plan is shown below:

	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Discount rate	8.08%	8.75%	8.00%	8.50%	8.00%	7.00%
Expected return on plan assets	8.70%	8.70%	8.70%	9.00%	8.50%	8.00%
Salary increase	9.50%	9.50%	8.00%	8.00%	9.00%	8.00%
Attrition rate upto age 44	26.00%	18.00%	18.00%	18.00%	18.00%	14.00%
Attrition rate above age 44	8.00%	5.00%	5.00%	6.00%	7.00%	10.00%

The Company evaluates these assumptions based on its long term plans of growth and industry standards. The nature of assets allocation of the Fund is only in debt based mutual funds of high credit rating.

SYNGENE INTERNATIONAL LIMITED

Annexure IV: Notes to the restated summary statements of assets and liabilities, profits and losses and cash flows (Cont.)

Rs. in million

	Nine month period ended	Year ended				
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
5. Consumption of chemicals, reagents and consumables						
Chemicals and reagents						
Imported	853	821	667	555	386	314
Indigenous	973	1,077	818	591	484	390
	1,826	1,898	1,485	1,146	870	704
	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>	<i>Per cent</i>
Imported %	47	43	45	48	44	45
Indigenous%	53	57	55	52	56	55
6. Value of imports on CIF basis						
Chemicals, reagents and consumables	900	819	620	593	385	340
Capital goods	755	540	267	427	235	407
	1,655	1,359	887	1,020	620	747
7. Expenditure in foreign currency (on accrual basis)						
Professional Charges	41	38	22	13	3	6
Repairs & Maintenance	68	29	28	31	13	8
Travel	11	10	10	5	4	7
Interest expense	8	2	20	29	44	83
Others	28	80	98	23	56	41
	156	159	178	101	120	145
8. Earnings in foreign exchange						
Contract research and manufacturing services	5,680	6,736	5,222	3,845	2,958	2,515
Other operating income	112	112	91	70	50	26
Other income	-	-	2	3	-	-
	5,792	6,848	5,315	3,918	3,008	2,541

9. Capital and other commitments

Rs. in million

	As at				
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
(a) Capital commitments					
Estimated amount of contracts remaining to be executed on capital account not provided for, net of advances	1,149	474	119	43	33
(b) Operating lease commitments					
(i) Rent					
The Company has entered into lease agreements for use of land and buildings which expires over a period ranging upto 2022.					
Gross rental expenses for the period / year	37	42	16	11	5
The minimum lease rentals in the future are:					
-Not later than one year	42	25	24	5	7
-Later than one year and not later than five years	186	116	110	32	28
-Later than five years	124	86	117	39	48
(ii) Vehicles					
The Company has taken vehicles for certain employees under operating leases, which expire over a period ranging upto May 2018.					
Gross rental expenses for the period / year	1	2	4	6	7
The minimum lease rentals in the future are:					
-Not later than one year	1	1	2	3	5
-Later than one year and not later than five years	2	1	2	2	4
-Later than five years	-	-	-	-	-

10. Derivative Instruments

The Company has entered into foreign exchange forward contracts and option contracts to hedge highly probable forecasted transactions in foreign currency. The Company had the following outstanding contracts (in million):

	Rs. in million					
	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
In respect of highly probable forecasted sales/collections (in million):						
Foreign exchange forward contracts with periodical maturity dates	USD 16 (INR 986)	USD 22 (INR 1,323)	USD 78 (INR 4,253)	USD 100 (INR 5,089)	USD 62 (INR 2,801)	USD 54 (INR 2,440)
European style option contracts with periodical maturity dates	USD 301 (INR 18,970)	USD 135 (INR 8,109)	USD 104 (INR 5,670)	USD 99 (INR 5,038)	USD 95 (INR 4,292)	USD 138 (INR 6,235)
European style option contracts with periodical maturity dates	-	-	-	-	EUR 3 (INR 190)	-
In respect of foreign currency loans (in million):						
Foreign exchange forward contracts with periodical maturity dates	-	-	-	USD 10 (INR 509)	USD 34 (INR 1,536)	-
European style option contracts with periodical maturity dates	-	-	-	-	-	USD 45 (INR 2,005)
Unhedged foreign currency exposure as at the balance sheet date is as given below (Rs)						
Balances with banks - In Current Account	1,299	911	61	374	8	12
Receivables (including unbilled revenue and advances recoverable)	1,675	1,372	1,044	618	516	311
Trade payables and payable for capital goods	439	130	185	193	88	138
Advance from customers	365	1,906	296	156	93	88
Secured and unsecured loans	1,830	1,503	45	459	58	-

11. Contingent liabilities

	Rs. in million					
	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
(a) The Company has given two corporate guarantees in favour of the Customs and Excise department ('CED') in respect of certain performance obligations of Biocon The necessary terms and conditions have been complied with and no liability has arisen till date.	465	465	465	465	465	465
(b) Biocon has given corporate guarantees to the CED on behalf of the Company	245	218	218	218	218	218
(c) Taxation matters under appeal	1,045	1,045	830	714	654	509

Income tax demand from the tax authorities for payment of tax, based on assessment orders issued for which the Company has gone on appeal. The tax demand is mainly on account of denial of relief under section 10B of the Income-tax Act, 1961 and denial of relief under section 10AA of the Income-tax Act, 1961. The matter is pending final assessments / conclusion of appeals.

The Company is contesting the demands and the management is confident that its position will be upheld in the appellate process. Accordingly, no tax expense has been accrued in the financial statements for the demand raised.

(d) Service Tax matters under appeal	57	-	-	-	-	-
(e) VAT matters under appeal	1	-	-	-	-	-

12. Segmental Information

Business segments

The Company is primarily engaged in a single business segment of providing contract research and manufacturing services.

Geographical segments

Secondary segmental reporting is performed on the basis of geographical location of customers. The management views the Indian and export markets as distinct geographical segments. The following is the distribution of the Company's sale by geographical markets.

	Rs. in million					
	Nine month period ended		Year ended			
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Contract research and manufacturing services income						
India	278	192	233	293	243	135
Outside India	5,680	6,679	5,162	3,792	2,917	2,504
Total	5,958	6,871	5,395	4,085	3,160	2,639
Carrying amount of segment assets.						
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
India	10,865	10,537	6,217	5,248	4,537	4,808
Outside India	1,675	1,372	1,025	618	504	311
Total	12,540	11,909	7,242	5,866	5,041	5,120

Note: All fixed assets of the Company are located in India.

13. Employee Stock Incentive Plan

(a) Selected employees of the Company were granted stock options of Biocon Limited, the holding company based upon performance, criticality to business and long-term potential to the Company. The options vest ratably over a period of 4 years. The Institute of Chartered Accountants of India has issued a Guidance Note on Accounting for Employee Share-based Payments, which is applicable to employee share based payment plans, the grant date in respect of which falls on or after April 1, 2005. The management is of the opinion that the schemes detailed above are managed and administered by Biocon for its own benefit and do not have any settlement obligations on the Company. Further the aforesaid schemes pertain to shares of Biocon. The compensation benefits in respect of such schemes is paid by the Company based on the cross charge from Biocon. Accordingly, the Company is of the opinion that there is no further accounting treatment/disclosure required under the said Guidance Note.

(b) Syngene ESOP Plan:

On July 20, 2012, Syngene Employee Welfare Trust ('Trust') was created for the welfare and benefit of the employees and directors of the Company. The Board of Directors has approved the employee stock option plan of the Company. On October 31, 2012 the Trust subscribed to 1,875,000 equity shares (Face value of Rs. 5 per share) of the Company using the proceeds from interest free loan of Rs. 150 obtained from the Company. The loan granted to the Trust has been netted off in the shareholders' funds as per the accounting treatment as per Guidance Note on Accounting for Employee Share-based Payments issued by Institute of Chartered Accountants of India.

Grant

Pursuant to the Scheme, the Company has granted options to eligible employees of the Company under Syngene Employee Stock Option Plan - 2011. Each option entitles for one equity share. The options under this grant will vest to the employees as 25%, 35% and 40% of the total grant at end of second, third and fourth year from the date of grant, respectively, with an exercise period of three years for each grant. The vesting conditions include service terms and performance grades of the employees. These options are exercisable at an exercise price of Rs. 80/- per share (Face value of Rs. 5 per share).

Details of Grant

Grant I

Particulars	December 31, 2014 No. of options	March 31, 2014 No. of options
Outstanding at the beginning of the period/year*	1,580,340	-
Granted during the period/year*	59,700	1,615,090
Forfeited during the period/year*	210,940	34,750
Exercised during the period/year	-	-
Outstanding at the end of the period/year*	1,429,100	1,580,340
Exercisable at the end of the period/year	-	-
Life of the options granted (vesting and exercise period) in years	6.15	6.15
Weighted average fair market value of shares granted (In Rs)	500	244

* Weighted Average Exercise Price of Rs. 80/-

The above are based on Face value of Rs. 5 per share.

The weighted average fair value of the Company's options granted during the nine month period ended December 31, 2014 is in the range of Rs. 445 - Rs. 455 (March 31, 2014 - Rs. 186 - Rs. 198) per option, under Black Scholes Model.

Assumptions used in determination of the fair value of the stock options under the Black Scholes Model are as follows:

Particulars	December 31, 2014	March 31, 2014
Dividend yield (%)	-	-
Exercise Price (In Rs)	80	80
Volatility	50.4 % - 53.3 %	40.9 % - 47.6 %
Life of the options granted (vesting and exercise period) in years	6.15	6.15
Average risk-free interest rate	8.57 % - 8.59 %	8.7 % - 8.8 %

Since the Company uses the intrinsic value method for determination of the employee stock compensation expense, the impact on the reported net loss and loss per share under the fair value approach on a proforma basis, is as given below :

Particulars	December 31, 2014	March 31, 2014
Restated Profit for the period/year	1,194	1,348
Add: Employee stock compensation under intrinsic value	39	56
Less: Employee stock compensation under fair value	62	49
Proforma Restated Profit for the period/year	1,171	1,355
Earnings per equity share - Basic [Face value Rs. 10 per share]		
- As reported (in Rs)	6.31	7.24
- Proforma (in Rs)	6.19	7.28
Earnings per equity share - Diluted [Face value Rs. 10 per share]		
- As reported (in Rs)	6.10	6.99
- Proforma (in Rs)	5.98	7.02

The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of Rs. 5 each into 1 equity share of face value of Rs. 10 each. The Company issued fully paid bonus shares in the ratio of 1:6.1253329 on March 27, 2015 by capitalisation of Securities premium account and General reserve, pursuant to the approval of the shareholders of the Company at the EGM held on March 16, 2015. The above Earnings per equity share has been computed after adjusting share data for the aforesaid bonus issues and share consolidation.

14. The Company has entered into agreements with customers, which grant the customers an option to purchase fixed assets with gross block as at December 31, 2014 of Rs 2,672 (March 31, 2014: Rs 2,366 ; March 31, 2013: Rs 2,128; March 31, 2012: Rs 1,939; March 31, 2011: Rs 1,726; March 31, 2010: Rs 1544) relating to particular projects, upon satisfaction of certain terms and conditions. The consideration would be as per the terms of the agreement, subject to amounts already funded / contributed by the customer.

Fixed assets (gross block) includes assets amounting to Rs. 1,231, Rs. 1,030, Rs. 792, Rs. 755, Rs. 523 and Rs. 395 as at December 31, 2014, as at March 31, 2014, 2013, 2012, 2011 and 2010, respectively, which have been funded by customers. The Company has capitalised and depreciated the gross cost of these assets. The funding received from the customers is reflected as Deferred Revenues and the same is recognised as Other Operating Revenue on a systematic basis over the useful life of the asset/period of contract.

SYNGENE INTERNATIONAL LIMITED
Annexure V - Restated statement of reserves and surplus

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010
Securities premium account							
Opening balance	1,365	1,365	47	-	-	-	-
Add: Premium on issue of equity shares [net of share issue expenses] (refer note 2 below)	1,324	-	1,318	47	-	-	-
Less: Amount recoverable from Syngene Employees Welfare Trust [refer note 4 below and note 13 in Annexure IV]	(101)	(141)	(141)	-	-	-	-
Closing balance	2,588	1,224	1,224	47	-	-	-
General Reserve							
Opening balance	46	46	46	46	46	46	46
Balance as at April 1, 2014 of Transferor company [refer note 1.1 in Annexure IV]	1	-	-	-	-	-	-
Closing balance	47	46	46	46	46	46	46
Surplus in the statement of profits and losses							
Opening balance	5,003	3,655	2,634	2,132	1,860	1,556	1,556
Balance as at April 1, 2014 of Transferor company [refer note 1.1 in Annexure IV]	2	-	-	-	-	-	-
Less: Bonus shares issued [refer note 3 below]	-	-	-	(208)	-	-	-
Profit for the period / year	1,194	1,348	1,021	710	272	304	304
Less: Appropriations							
Interim dividends	(1,138)	-	-	-	-	-	-
Tax on dividends	(193)	-	-	-	-	-	-
Net surplus in the statement of profit and loss	4,868	5,003	3,655	2,634	2,132	1,860	1,860
Employee stock options outstanding [refer note (i) below]							
Gross employee stock compensation - opening balance	259	-	-	-	-	-	-
Add : Gross compensation for options granted during the period / year	25	265	-	-	-	-	-
Less : Lapsed / forfeited during the period / year	(6)	(6)	-	-	-	-	-
	278	259	-	-	-	-	-
Less : Closing balance of deferred employee stock compensation cost	180	200	-	-	-	-	-
Closing balance	98	59	-	-	-	-	-
Total reserves and surplus	7,601	6,332	4,925	2,727	2,178	1,906	1,906
(i) Deferred Employee Stock Compensation Cost:							
Stock compensation cost outstanding at the beginning of the period / year	200	-	-	-	-	-	-
Stock options granted during the period / year	25	265	-	-	-	-	-
Stock options cancelled / forfeited during the period / year	(6)	(6)	-	-	-	-	-
Stock compensation cost amortised during the period / year	(39)	(56)	-	-	-	-	-
Stock compensation cost charged to Subsidiary during the period / year	-	(3)	-	-	-	-	-
Closing balance of deferred employee stock compensation cost	180	200	-	-	-	-	-

Notes

- The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- The Board of Directors of the Company in the meeting held on September 12, 2014 approved allotment of 1,971,060 equity shares at the rate of Rs. 676.91 per share (Face value: Rs. 5 per share) on rights basis to Biocon Research Limited (a wholly owned subsidiary of Biocon Limited), in accordance with the provisions of section 62(1)(a) of the Companies Act, 2013. Securities premium on issue of equity shares during the year ended March 31, 2013 is net of share issue expenses of Rs. 52.
- The Company issued fully paid bonus shares of 41.75 million (Face value Rs. 5 per share) in the ratio of 1:7.26089565 on February 28, 2012 by capitalization of Surplus in Statement of profit and loss.
- The Company allotted 1,875,000 equity shares on October 31, 2012 at the rate of Rs 80 per share (Face Value : Rs. 5 per Share) to Syngene Employees Welfare Trust ("Trust") under section 81 (1A) of the Companies Act, 1956.
- The Company issued fully paid bonus shares at the ratio of 1: 6.1253329 on March 27, 2015 by capitalisation of Securities premium account and General reserve.

SYNGENE INTERNATIONAL LIMITED
Annexure VI - Restated statement of long-term borrowings

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010
From Banks (secured)							
Non-current portion	-	-	-	42	-	-	287
Current maturities	-	-	45	-	144	45	45
Amount disclosed under the head "Other current liabilities" [refer Annexure X]	-	-	(45)	-	(144)	(45)	(45)
Long-term borrowings, net amount	-	-	-	42	-	-	287

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) Key terms of the borrowings are as follows:

(i) The Company had outstanding foreign currency denominated long term buyer's credit loan as at March 31, 2013 of Rs 45 (US\$ 0.8 million) from a bank, which was secured by a pari passu charge on the present and future movable plant and machinery and current assets. This loan was repayable at the end of 18 months from the date of origination and carried Interest rate of Libor+0.90%. Interest rate was to be re-set every six months.

(ii) The Company had outstanding foreign currency denominated long term buyer's credit loan of Rs 42 (US\$ 0.8 million) as of March 31, 2012 from a bank, which is secured by a pari passu charge on the present and future movable plant and machinery and current assets. This loan is repayable at the end of 18 months from the date of origination and carries Interest rate of Libor+0.90%. Interest rate shall be re-set every six months.

(iii) The Company had outstanding foreign currency denominated long term buyer's credit loans of Rs 144 (US\$ 3.2 million) as of March 31, 2011 at interest rates ranging from Libor+1.40% to Libor+4.74%, from a bank, which were secured by a pari passu charge on the present and future movable plant and machinery and current assets. These loans were repayable after the end of 3 years from the date of their origination with an Interest rate reset every 6 months.

(iv) The Company had outstanding foreign currency denominated long term buyer's credit loan as at March 31, 2010 of Rs 332 (US\$ 7.3 million) from banks, which was secured by a pari passu charge on the present and future movable plant and machinery and current assets. This loan was repayable at the end of 36 months from the date of origination interest rates ranging from Libor+1.48% to Libor+4.85%. Interest rate was to be re-set every six months.

SYNGENE INTERNATIONAL LIMITED

Annexure VII - Restated statement of deferred tax liability (net)

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010
Deferred tax liability							
Fixed assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting	82	88	98	105	117	111	111
Gross deferred tax liability	82	88	98	105	117	111	111
Deferred tax asset							
Employee retirement benefits expenditure charged to the statement of profit and loss in the current period/year but allowed for tax purposes on payment basis	37	37	33	23	16	13	13
Gross deferred tax asset	37	37	33	23	16	13	13
Net deferred tax liability	45	51	65	82	101	98	98

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) The Company has units / operations in a Special Economic Zone (SEZ) and Export Oriented Units (EOU) which claim deduction of income under the provisions of the Income Tax Act, 1961. Deferred tax assets / liabilities are recognised in respect of timing differences which originate in the reporting period but is expected to reverse after the tax holiday period.

SYNGENE INTERNATIONAL LIMITED

Annexure VIII - Restated statement of other long-term liabilities and long-term provisions

Rs. in million

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010
A. Other long-term liabilities							
Deferred revenues (refer note 14 in Annexure IV)	658	572	464	554	387	290	
Deferred rent liability	14	11	9	6	1	-	
	672	583	473	560	388	290	
B. Long-term provisions							
Provision for employee benefits:	133	58	28	12	12	3	
Provision for gratuity	133	58	28	12	12	3	

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

SYNGENE INTERNATIONAL LIMITED
Annexure IX - Restated statement of short-term borrowings

	Rs. in million					
	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
From Banks						
Pre shipment credit (secured) [refer note 2 below]	750	902	-	331	245	907
Buyers credit loan (secured) [refer note 3 below]	-	-	-	346	972	766
Bank overdraft (secured) [refer note 4 below]	-	46	-	-	-	-
Pre shipment credit (unsecured) [refer note 5 and 6 below]	1,080	601	-	249	233	-
	1,830	1,549	-	926	1,450	1,673
The above amount includes						
Secured borrowings	750	948	-	677	1,217	1,673
Unsecured borrowings	1,080	601	-	249	233	-
	1,830	1,549	-	926	1,450	1,673

Notes

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- 2) The Company has obtained foreign currency denominated short-term secured pre-shipment credit loans of Rs 750 (US\$ 11.9 Million) as of December 31,2014 (March 31, 2014: Rs 902 (US\$ 15 Million) ; March 31, 2013: Nil; March 31, 2012: Rs 331 (US\$ 6.5 Million) ; March 31, 2011: Rs 245 (US\$ 5.6 Million) and March 31, 2010: Rs 907 (US\$ 20.1 Million)) from banks that carry interest rate in the range of Libor +0.14% to Libor +2.68%, which are secured by a pari passu charge on the current assets and movable fixed assets of the Company. These loans are repayable at end of 6 months from the date of its origination.
- 3) The Company has obtained foreign currency denominated short-term secured buyer's credit loans of Rs Nil (March 31, 2014: Rs Nil; March 31, 2013: Nil; March 31, 2012: Rs 346 (US\$ 6.8 Million) ; March 31, 2011: Rs 972 (US\$ 21.8 Million) and March 31, 2010: Rs 766 (US\$ 17 Million)), from banks that carry interest rate in the range of Libor+1.33% to Libor +5.10%, which are secured by a pari passu charge on the present and future movable plant and machinery and current assets. These loans originally taken for a period of 6 months with an option to rollover at the end of every six months up to a maximum period of 3 years from the date of their origination; Interest rate for the loan to be reset on such rollover.
- 4) The Company has obtained overdraft facility from a bank, which are secured by a pari passu charge on the current assets and movable fixed assets of the Company. The interest on the loan are linked to the Bank's Prime Lending Rate, which are floating in nature.
- 5) The Company has obtained foreign currency denominated short-term unsecured pre-shipment credit loan of Rs 1,065 (US\$ 16.9 Million) as of December 31,2014 (March 31, 2014: Rs 601 (US\$ 10 Million); March 31, 2013: Nil (US\$ Nil); March 31, 2012: Rs 249 (US\$ 4.9 Million); March 31, 2011: Rs 233 (US\$ 5.2 Million) and March 31, 2010: Nil (US\$ Nil)) from banks that carry interest rate in the range of Libor +0.14% to Libor +2.68%. The loan is repayable at the end of 6 months from the date of its origination.
- 6) Pre-shipment credit (unsecured) loan include Rs. 15 (US\$ 0.24 Million) as of December 31, 2014 (March 31, 2014, 2013, 2012, 2011 and 2010 - Nil (US\$ Nil)) that carry interest rate of Libor +1.25% to Libor +1.75% which is repayable on demand and is secured by the Corporate Guarantee given by Biocon Limited.

SYNGENE INTERNATIONAL LIMITED

Annexure X - Restated statement of trade payables, other current liabilities and short-term provisions

Rs. in million

	As at					
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A) Trade payables						
	988	766	827	643	280	375
	988	766	827	643	280	375
B) Other current liabilities						
Payable for capital goods	267	134	101	128	48	146
Advances from customers	436	1,932	315	224	142	129
Current maturities of long-term borrowings [refer Annexure VI]	-	-	45	-	144	45
Interest accrued but not due on borrowings	-	-	-	2	4	4
Deferred revenues (refer note 14 in Annexure IV)	143	119	91	86	60	40
Balance in current account with bank representing book overdraft	3	-	-	98	136	42
Others						
-Statutory dues [refer note 2 below]	42	27	23	23	19	17
-Others	-	-	-	5	12	-
	891	2,212	575	566	565	423
C) Short-term provisions						
Provision for employee benefits:						
Provision for leave encashment	78	50	40	31	26	24
Provision for gratuity	-	39	33	27	12	12
Provision for Income tax, net of advance tax	31	8	15	9	-	-
	109	97	88	67	38	36

Notes

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- 2) Statutory dues include Tax Deducted at Source, Service tax, Provident Fund, Employee State Insurance and Profession Tax payable at period/year end.
- 3) Following are the amounts due to Directors / Promoter / Promoter Group Companies / Relatives of Directors / Holding Company / Subsidiary Companies / Fellow Subsidiaries

Particulars	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Biocon Limited	108	232	304	232	43	191
Clinigene International Limited	-	13	5	-	1	-
Biocon Research Limited	13	-	-	-	-	-

- 4) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

SYNGENE INTERNATIONAL LIMITED
Annexure XI - Restated statement of non-current investments

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010

Trade investments - Unquoted equity instruments

In subsidiary company (valued at cost, unless otherwise stated)

Clinigene International Limited - equity shares of Rs 10 each fully paid-up (Number of shares: 50,000) [Refer Note 1.1 in Annexure IV]

	-	1	1	1	-	-	-
	-	1	1	1	-	-	-

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

SYNGENE INTERNATIONAL LIMITED

Annexure XII - Restated statement of long-term loans and advances and other non current assets

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010

A) Long-term loans and advances (Unsecured, considered good)

Loan to subsidiary [refer Note 1.1 in Annexure IV]

Capital advances	-	269	235	-	-	-	-
Deposits	97	10	3	7	1	16	16
Prepaid expenses	12	9	3	2	2	2	2
Balances with statutory / government authorities	8	2	1	-	1	-	-
Advance income-tax, net of provision	78	58	48	57	44	38	38
Fringe benefit tax, net of provision	385	298	284	283	301	254	254
MAT Credit entitlement	1	1	1	1	1	1	1
	490	384	288	147	42	29	29
	1,071	1,031	863	497	392	340	340

B) Other non-current assets

Unamortized premium on foreign exchange forward / option contracts

	1,213	143	110	51	-	-	-
	1,213	143	110	51	-	-	-

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) Following are the amounts due from Directors / Promoter / Promoter Group Companies/ Group Entities / Relatives of Directors / Holding Company / Subsidiary Companies / Fellow Subsidiaries

Particulars	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010
Biocon Limited	2	2	2	2	2	2	2
Clinigene International Limited	-	269	235	-	-	-	-

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

SYNGENE INTERNATIONAL LIMITED

Annexure XIII - Restated statement of current investments

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	

Current investments - [valued at lower of cost and fair market value, unless stated otherwise]

Investments In Mutual funds (unquoted, fully paid up) (Non trade)

(a) Amount of investments

Birla Sun Life Savings Fund - Daily Dividend - Direct Plan - Reinvestment of Rs 100 each	-	71	15	-	-	-
Birla Sun Life Cash Plus Daily Dividend- Regular Plan- Reinvestment of Rs 100 each	-	-	87	-	-	-
Birla Sun Life Cash Plus Daily Dividend - Direct Plan - Reinvestment - of Rs 100 each	59	676	196	-	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend of Rs 100 each	54	708	191	-	-	-
ICICI Prudential Liquid Super Institutional Plan Daily Dividend - Rs 100 each	-	-	-	-	26	-
ICICI Prudential Flexible Income Plan - Direct Plan - Daily Dividend of Rs 106 each	-	71	-	-	-	-
ICICI Prudential FMP Plan Prudential Interval Fund II Quarterly Interval Plan D - Direct Plan - Dividend Payout of Rs 10 each	-	50	-	-	-	-
JP Morgan India Liquid Fund - Direct Plan - Daily Dividend - Reinvestment of Rs 10 each	-	86	151	-	-	-
TATA Liquid Fund Direct Plan - Daily Dividend of Rs 1,115 each	53	674	51	-	-	-
HDFC Liquid Fund Direct Plan - Daily Dividend Reinvestment of Rs 10 each	30	609	-	-	-	-
Kotak Liquid Scheme Plan A - Direct Plan - Daily Dividend of Rs 1,223 each	22	272	-	-	-	-
Reliance Liquid Fund - Treasury Plan - Direct Plan Daily Dividend Option of Rs 1,529 each	40	303	-	-	-	-
Kotak Mutual Fund Flexi Debt Scheme of Rs 10.05 each	-	-	-	-	-	109
Aggregate amount of unquoted investments	258	3,520	691	-	26	109

(b) No units of investments mentioned in (a) above

Birla Sun Life Savings Fund - Daily Dividend - Direct Plan - Reinvestment of Rs 100 each	-	706,584	152,680	-	-	-
Birla Sun Life Cash Plus Daily Dividend- Regular Plan- Reinvestment of Rs 100 each	-	-	867,861	-	-	-
Birla Sun Life Cash Plus Daily Dividend - Direct Plan - Reinvestment - of Rs 100 each	588,786	6,746,819	1,956,595	-	-	-
ICICI Prudential Liquid - Direct Plan - Daily Dividend of Rs 100 each	535,375	7,073,823	1,909,533	-	-	-
ICICI Prudential Liquid Super Institutional Plan Daily Dividend - Rs 100 each	-	-	-	-	260,000	-
ICICI Prudential Flexible Income Plan - Direct Plan - Daily Dividend of Rs 106 each	-	670,672	-	-	-	-
ICICI Prudential FMP Plan Prudential Interval Fund II Quarterly Interval Plan D - Direct Plan - Dividend Payout of Rs 10 each	-	4,999,850	-	-	-	-
JP Morgan India Liquid Fund - Direct Plan - Daily Dividend - Reinvestment of Rs 10 each	-	8,601,620	15,068,306	-	-	-
TATA Liquid Fund Direct Plan - Daily Dividend of Rs 1,115 each	47,418	605,098	45,134	-	-	-
HDFC Liquid Fund Direct Plan - Daily Dividend Reinvestment of Rs 10 each	2,942,215	59,693,290	-	-	-	-
Kotak Liquid Scheme Plan A - Direct Plan - Daily Dividend of Rs 1,223 each	18,046	222,918	-	-	-	-
Reliance Liquid Fund - Treasury Plan - Direct Plan Daily Dividend Option of Rs 1,529 each	26,211	198,173	-	-	-	-
Kotak Mutual Fund Flexi Debt Scheme of Rs 10.05 each	-	-	-	-	-	10,819,613

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

SYNGENE INTERNATIONAL LIMITED

Annexure XIV - Restated statement of inventories

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010

Inventories (valued at lower of cost and net realisable value)

Chemicals, reagents and consumables	209	107	121	124	61	74	
Work-in-progress	110	42	58	25	2	11	
Finished goods	32	-	-	-	-	1	
	351	149	179	149	63	86	

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

SYNGENE INTERNATIONAL LIMITED

Annexure XV - Restated statement of trade receivables

	As at					Rs. in million	
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2010

Trade receivables (unsecured)

Outstanding for a period exceeding six months from the date they are due for payment

Considered good	16	8	47	10	3	5	
Doubtful	5	10	-	-	-	-	

Less: Provision for doubtful receivables

	21	18	47	10	3	5	
	5	10	-	-	-	-	
	16	8	47	10	3	5	

Other receivables, considered good

	1,361	935	719	424	381	322	
	1,377	943	766	434	384	327	

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) Following are the amounts due from Directors / Promoter / Promoter Group Companies/ Group Entities / Relatives of Directors / Holding Company / Subsidiary Companies / Fellow Subsidiaries

Particulars	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Biocon Limited	20	31	29	95	4	47
Biocon Research Limited	35	13	13	-	4	-
Biocon SA	9	-	5	4	-	-
Biocon Biopharmaceuticals Limited	-	-	4	-	-	-

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

SYNGENE INTERNATIONAL LIMITED

Annexure XVI - Restated statement of short-term loans & advances and other current assets

Rs. in million

	As at				
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
A) Short-term loans and advances (unsecured, considered good)					
Advances recoverable in cash or in kind or for value to be received	216	155	49	21	20
Prepaid expenses	34	20	47	33	28
Balances with statutory / government authorities	189	94	64	20	16
	439	269	160	74	64
					74
B) Other current assets					
Unbilled revenues	531	400	381	345	168
Unamortized premium on foreign exchange forward / Option contracts	239	143	75	-	-
	770	543	456	345	168
					36

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) Following are the amounts due from Directors / Promoter / Promoter Group Companies/ Group Entities / Relatives of Directors / Holding Company / Subsidiary Companies / Fellow Subsidiaries

Particulars	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Biocon Limited	8	12	18	49	-
Clinigene International Limited	-	3	21	2	-
Biocon Research Limited	1	-	3	-	-

3) List of persons/ entities classified as 'Promoter', 'Promoter Group Companies' and 'Group Entities' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

SYNGENE INTERNATIONAL LIMITED
Annexure XVII - Restated statement of revenue from operations

	Nine month period ended December 31, 2014	Year ended				Rs. in million
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	
Sale of services						
Contract research and manufacturing services income	5,958	6,871	5,395	4,085	3,160	2,639
Other operating revenues						
Scrap sales	10	12	14	12	9	4
Other operating income (refer note 14 in Annexure IV)	113	112	91	70	50	26
	<u>6,081</u>	<u>6,995</u>	<u>5,500</u>	<u>4,167</u>	<u>3,219</u>	<u>2,669</u>

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

SYNGENE INTERNATIONAL LIMITED
Annexure XVIII - Restated statement of other income

	Nine month period ended December 31, 2014	Year ended				Rs. in million
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	
Dividend income on current investments (non trade) [refer note 2 below]	81	47	17	12	5	6
Interest income [refer note 3 below]	-	29	20	-	-	-
Miscellaneous income [refer note 4 below]	13	6	5	3	5	-
	<u>94</u>	<u>82</u>	<u>42</u>	<u>15</u>	<u>10</u>	<u>6</u>

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) Dividend income on current investments (non trade) is non-recurring in nature and not related to business activity.

3) Interest income is non-recurring in nature and not related to business activity.

4) Miscellaneous income is non-recurring in nature and related to business activity.

SYNGENE INTERNATIONAL LIMITED
Annexure XIX - Restated statement of cost of chemicals, reagents and consumables consumed

	Nine month period ended December 31, 2014	Year ended				Rs. in million
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	
Inventory at the beginning of the period / year	107	121	124	61	74	31
Add : Purchases	1,928	1,884	1,482	1,209	857	747
	<u>2,035</u>	<u>2,005</u>	<u>1,606</u>	<u>1,270</u>	<u>931</u>	<u>778</u>
Less: Inventory at the end of the period / year	209	107	121	124	61	74
	<u>1,826</u>	<u>1,898</u>	<u>1,485</u>	<u>1,146</u>	<u>870</u>	<u>704</u>

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV

SYNGENE INTERNATIONAL LIMITED

Annexure XX - Restated statement of (Increase)/Decrease in inventories

Annexure XX - Restated statement of (Increase)/Decrease in inventories	Nine month period ended		Year ended					Rs. in million
	December 31, 2014		March 31, 2014					
			March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	
Inventories at the beginning of the period/year:								
Work-in-progress		42	58	25	2	11	-	-
Finished goods		-	-	-	-	1	-	-
		42	58	25	2	12	-	-
Inventories at the end of the period/year:								
Work-in-progress		110	42	58	25	2	11	1
Finished goods		32	-	-	-	-	-	1
		142	42	58	25	2	12	12
		(100)	16	(33)	(23)	10	(12)	(12)

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV

SYNGENE INTERNATIONAL LIMITED

Annexure XXI - Restated statement of employee benefits expense

Annexure XXI - Restated statement of employee benefits expense	Nine month period ended		Year ended					Rs. in million
	December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010		
Salaries, wages and bonus	1,303	1,351	1,104	863	711	589		
Contribution to provident fund and other funds	61	56	46	36	30	24		
Gratuity expenses	30	36	22	15	10	10		
Employee stock compensation expense (refer note 2 below)	39	56	3	4	3	4		
Staff welfare expenses	58	57	60	66	46	39		
	1,491	1,556	1,235	984	800	666		

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
2) Employee stock compensation expense for the financial years ended March 31, 2013, 2012, 2011 and 2010 pertains to cross charges from Blocon Limited, paid by the Company.

SYNGENE INTERNATIONAL LIMITED
Annexure XXII - Restated statement of other expenses

Annexure XXII - Restated statement of other expenses			Rs. in million				
	Nine month period ended		Year ended				
	December 31, 2014		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Rent	37		42	16	11	5	3
Communication expenses	7		20	15	14	13	11
Travelling and conveyance	82		84	55	37	26	24
Professional charges (including auditors' fees)	88		112	70	47	25	19
Directors' fees	10		2	1	-	-	-
Power and fuel [refer note 2 below]	205		234	212	196	186	163
Facility charges [refer note 2 below]	75		106	87	59	54	52
Insurance	16		16	12	11	8	5
Rates and taxes	5		11	8	5	4	4
Repairs and maintenance							
Plant and machinery	82		87	77	61	53	29
Buildings	24		5	2	2	2	7
Others	36		66	50	41	35	34
Selling expenses							
Freight outwards and clearing charges	15		15	15	9	10	11
Sales promotion expenses	10		11	9	10	7	9
Commission	10		-	6	5	5	-
Foreign exchange difference (net)	67		459	398	108	56	9
Provision for doubtful receivables	2		10	-	-	-	-
Printing and stationery	6		11	8	7	6	6
Clinical trial expenses	36		-	-	-	-	-
Miscellaneous expenses	74		90	87	66	56	55
	887		1,381	1,128	689	549	443

Notes

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- 2) Power and fuel, and Facility charges capitalized to fixed assets during year ended March 31, 2010 amount to Rs. 10 and Rs. 8 respectively.

SYNGENE INTERNATIONAL LIMITED
Annexure XXIII - Restated statement of finance costs

Annexure XXIII - Restated statement of finance costs	Nine month period ended		Year ended					Rs. in million
	December 31, 2014		March 31, 2014					
			March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	
Interest expense [refer note 2 below]	8		2	23	30	45	75	
Bank charges	2		2	2	1	4	2	
Exchange difference to the extent considered as an adjustment to borrowing cost	65		-	40	71	161	-	
	75		4	65	102	210		77

Notes

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- 2) Interest expenses capitalized to cost of fixed assets during year ended March 31, 2010 amounting to Rs. 10.

SYNGENE INTERNATIONAL LIMITED
Annexure XXIV - Restated statement of related party transactions

Related parties where control exists and related parties with whom transactions have taken place during the period/year are listed below :

Name of the related party		Relationship	Description	Nine month period ended	Year ended					Rs. in million		
					December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010		
Transactions during the year / period - Expenses / (Income)												
(a) Biocon Limited		Holding Company	Rent expense	31	38	16	11	5	3			
			Other expenses	42	12	12	13	10	12			
			Software license fee reimbursed	-	5	2	5	4	5			
			Purchase of tangible assets	-	-	11	4	-	15			
			Sale of tangible assets	-	-	(12)	-	(20)	-			
			Purchase of shares of Clinigene International Ltd	-	-	-	1	-	-			
			Purchase of goods	-	10	2	3	2	2			
			Sale of services	(79)	(36)	(39)	(147)	(162)	(119)			
			ESOP compensation expense	-	-	3	4	3	4			
			Power and facility charges (refer note 3 below)	282	342	314	267	243	233			
			Interim Dividend paid	997	-	-	-	-	-	-		
			(b) Clinigene International Limited		Subsidiary Company [refer note 2]	Services received	-	26	5	3	3	2
						Interest income	-	(29)	(20)	-	-	-
ESOP compensation expense cross charged	-	(3)				-	-	-	-			
Other expenses cross charged	-	-				- *	-	-	-			
Loan granted	-	(34)				(235)	-	-	-			
Sale of services	-	(3)				- *	-	-	-			
Purchase of assets	-	-				2	-	-	-			
Sale of services	(41)	(31)				(21)	-	(4)	-			
Purchase of goods	-	-				- *	-	-	-			
Issue of Equity shares	1,334	-				-	-	-	-			
Interim Dividend paid	88	-				-	-	-	-			
(d) Biocon SA		Subsidiary of Biocon Limited				Sale of services	(13)	-	(6)	(4)	-	-
(e) Biocon Biopharmaceuticals Limited [refer note 4]		Subsidiary of Biocon Limited	Sale of services	-	-	(8)	-	-	-			
(f) Syngene Employee Welfare Trust		ESOP Trust	Loan Recovery / (granted)	40	-	(150)	-	-	-			
			Allotment of 1,875,000 equity shares of Rs. 5 each	-	-	150	-	-	-			
			Interim Dividend paid	40	-	-	-	-	-			

Name of the related party	Relationship	Description	Nine month period ended	Year ended					Rs. in million
				December 31, 2014	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	
Balances outstanding at the year / period end - (Receivable) / Payable									
(g) Biocon Limited	Holding Company	Deposits	(2)	(2)	(2)	(2)	(2)	(2)	(2)
		Trade payable	90	232	304	186	1	149	
		Advances from customers	18	-	-	42	42	42	
		Payable for capital goods	-	-	-	4	-	-	
		Trade receivables	(20)	(31)	(29)	(95)	(4)	(47)	
		Unbilled revenues	(8)	(12)	(18)	(49)	-	-	
		Deferred rent liability	14	11	9	6	1	-	-
(h) Clinigene International Limited	Subsidiary Company [refer note 2 below]	Trade payable	-	13	5	-	1	-	-
		Advances recoverable in cash or in kind or for value to be received	-	(3)	(21)	(2)	-	-	-
		Loan receivable	-	(269)	(235)	-	-	-	-
(i) Biocon Research Limited	Subsidiary of Biocon Limited	Trade receivables	(35)	(13)	(13)	-	(4)	-	-
		Unbilled revenues	(1)	-	(3)	-	-	-	-
		Advances from customers	13	-	-	*	-	-	-
(j) Biocon SA	Subsidiary of Biocon Limited	Trade receivables	(9)	-	(5)	(4)	-	-	-
(k) Biocon Biopharmaceuticals Limited [refer note 4 below]	Subsidiary of Biocon Limited	Trade receivables	-	-	(4)	-	-	-	-
		Loan outstanding	(110)	(150)	(150)	-	-	-	-
Contingent liability at the end of the period									
(m) The Company has given two corporate guarantees in favour of the Customs and Excise department ('CED') in respect of certain performance obligations of Biocon The necessary terms and conditions have been complied with and no liability has arisen till date.			465	465	465	465	465	465	465
(n) Biocon has given corporate guarantees to the CED on behalf of the Company * less than 0.5 million			245	218	218	218	218	218	218

Notes

- 1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.
- 2) Clinigene International Limited was a Fellow Subsidiary till February 2012 and wholly owned Subsidiary from March 2012. Also refer note 1.1 in Annexure IV.
- 3) Effective from October 1, 2006, the Company has entered into an arrangement for lease of land on an operating lease basis and a service agreement with 'Biocon SEZ Developer' of Biocon Limited for availing certain facilities and services. The facility charges of Rs 75 (March 31, 2014- Rs 106; March 31, 2013- Rs 87; March 31, 2012- Rs 59; March 31, 2011- Rs 54; March 31, 2010- Rs 60) and power charges (including other charges) of Rs 207 (March 31, 2014 - Rs 236; March 31, 2013 - Rs 227; March 31, 2012 - Rs 208; March 31, 2011 - Rs 189; March 31, 2010 - Rs 172) have been charged by Biocon Limited for the Nine months ended December 31, 2014.
- 4) During the year ended March 31, 2014, Biocon Biopharmaceuticals Limited merged with Biocon Limited.
- 5) Biocon Limited has guaranteed the pre-shipment credit loan taken by the Clinigene International Limited. Also refer Annexure IX.
- 6) Fellow subsidiary companies with whom the Company did not have any transactions - Biocon Sdn.Bhd, Malaysia, a subsidiary of Biocon Limited
- Biocon Pharma Limited, a subsidiary of Biocon Limited
- NeoBiocon FZ LLC, a subsidiary of Biocon Limited
- Biocon Academy, a subsidiary of Biocon Limited

SYNGENE INTERNATIONAL LIMITED
Annexure XXV - Restated statement of accounting ratios

Particulars		As at / Nine month period ended December 31, 2014	As at / Year ended				
			March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Net Profit after tax as restated (Rs. in million)	A	1,194	1,348	1,021	710	272	304
Weighted average no. of equity shares outstanding during the period/year used for computing Basic EPS (refer Note 2 and 9 below)	B	189,132,198	186,297,771	173,096,382	169,373,071	169,226,660	169,226,660
Add: Effect of dilutive shares granted to the ESOP Trust (adjusted for events of bonus issue and share consolidation as discussed in note 9 above.)	C	6,680,000	6,680,000	2,781,808	-	-	-
Weighted average no. of equity shares for calculating Diluted EPS (Refer Note 2 and 9 below)	D = B+C	195,812,198	192,977,771	175,878,190	169,373,071	169,226,660	169,226,660
Net Worth at the end of the period/year (Rs. in million) (refer Note 3 below)	E	7,872	6,593	5,186	2,968	2,207	1,935
Total no. of equity shares outstanding at the end of the period/year (refer note 7, 8 and 9 below)	F	193,320,001	186,297,771	186,297,771	171,453,326	169,226,660	169,226,660
Basic earnings per share (EPS) (Rs.) (Face value of Rs. 10 per share)	G=A/B	6.31	7.24	5.90	4.19	1.61	1.79
Diluted earnings per share (Rs.) (Face value of Rs. 10 per share)	H=A/D	6.10	6.99	5.81	4.19	1.61	1.79
Return on Net Worth (%) (Refer Note 1(c) below)	I=A/E	15.2%	20.5%	19.7%	23.9%	12.3%	15.7%
Net asset value per equity share (Rs.) (Face value of Rs. 10 per share) (Refer Note 1(d) below)	J=E/F	40.7	35.4	27.8	17.3	13.0	11.4

Notes:

1. The Ratios have been computed as below

(a) Basic Earnings per share (Rs.)	<u>Net profit after tax (as restated) attributable to equity shareholders</u> <u>Weighted average number of equity shares outstanding during the period/year</u>
(b) Diluted Earnings per share (Rs.)	<u>Net profit after tax (as restated)</u> <u>Weighted average number of diluted equity shares outstanding during the period/year</u>
(c) Return on Net Worth (%)	<u>Net Profit after tax as restated</u> <u>Net worth at the end of the period/year</u>
(d) Net asset value per share (Rs.)	<u>Net worth at the end of the period/year</u> <u>Total number of equity shares outstanding at the end of the period/year</u>

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year. Further, shares allotted to the ESOP Trust pursuant to the employee share based payment plan is not included in the shares outstanding till the employees have exercised their right to obtain shares, after fulfilling the requisite vesting conditions.

3. Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including Securities Premium, General Reserve, Stock options outstanding and surplus in statement of Profit and Loss less amount recoverable from Syngene Employee Welfare Trust).

4. Total number of equity shares outstanding at the end of the period/year for the ratio mentioned in note 1(d) above does not include shares allotted to the ESOP Trust.

5. The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV. The figures disclosed above are based on the restated summary statements of the Company.

6. Ratios for the nine month period ended December 31, 2014 are not annualised.

7. The shareholders' at the Extraordinary General Meeting ("EGM") of the Company held on December 14, 2011, approved the sub-division of equity shares of face value of Rs. 10 each into 2 equity shares of Rs. 5. The Company issued fully paid bonus shares in the ratio of 1:7.260869565 on February 28, 2012 by capitalization of surplus in the statement of Profit and Loss, pursuant to the approval of the shareholders of the Company at the EGM held on December 14, 2011.

8. The Shareholders' at the Extraordinary General Meeting ("EGM") of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of Rs. 5 each into 1 equity share of face value of Rs. 10 each. The Company issued fully paid bonus shares in the ratio of 1:6.1253329 on March 27, 2015 by capitalisation of Securities premium account and General reserve, pursuant to the approval of the shareholders of the Company at the EGM held on March 16, 2015.

9. All share data has been adjusted for events of bonus issues and share consolidation as discussed in note 7 and 8 above.

SYNGENE INTERNATIONAL LIMITED
Annexure XXVI - Capitalization statement

Particulars	Rs. in million	
	Pre IPO as at December 31, 2014	As adjusted for IPO (Refer note 2 below)
Long-term borrowings		
Current maturities (A)	-	-
Non-current portion (B)	-	-
Total long-term borrowings (C = A+B)	-	-
Short-term borrowings (D)	1,830	1,830
Total debt (E = C+D)	1,830	1,830
Shareholders' fund		
Share capital	271	271
Reserves and surplus		
Securities premium account	2,588	2,588
General Reserve	47	47
Surplus in the statement of profit and loss	4,868	4,868
Employee stock options outstanding	98	98
Total shareholders' fund (F)	7,872	7,872
Debt / equity (E/F)	0.23	0.23
Long-term debt / equity (C/F)	-	-

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) The Company is proposing an initial public offering through offer for sale. Hence there will be no change in the shareholders' funds post issue.

3) The shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on December 14, 2011, approved the sub-division of equity shares of face value of Rs. 10 each into 2 equity shares of Rs. 5. The Company issued fully paid bonus shares in the ratio of 1:7.260869565 on February 28, 2012 by capitalization of surplus in the statement of Profit and Loss, pursuant to the approval of the shareholders of the Company at the EGM held on December 14, 2011.

4) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of Rs. 5 each into 1 equity share of face value of Rs. 10 each. The Company issued fully paid bonus shares in the ratio of 1: 6.1253329 on March 27, 2015 by capitalisation of Securities premium account and General reserve, pursuant to the approval of the shareholders of the Company at the EGM held on March 16, 2015.

SYNGENE INTERNATIONAL LIMITED
Annexure XXVII - Statement of dividend paid

Particulars	Nine month period ended December 31, 2014	Year ended				
		March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Dividend on equity shares						
Rate of dividend (%) (Face value of Rs. 10 per share)	210	-	-	-	-	-
Dividend paid on equity shares (Rs. in million)	1,138	-	-	-	-	-
Tax on above dividend (Rs. in million)	193	-	-	-	-	-

Notes

1) The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

2) The Shareholders' at the Extraordinary General Meeting ('EGM') of the Company held on March 16, 2015, approved the consolidation (i.e. reverse share split) of 2 equity shares of face value of Rs. 5 each into 1 equity share of face value of Rs. 10 each. Accordingly, the rate of dividend disclosed above is based on the new face value of Rs. 10 per share.

SYNGENE INTERNATIONAL LIMITED
Annexure XXVIII - Restated Tax shelter statement

		Rs. in million					
	Particulars	Nine months period ended December 31, 2014	For the year ended				
			March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
A	Restated profits before tax	1,406	1,566	1,063	737	275	346
B	Tax Rate	33.99%	33.99%	32.45%	32.45%	33.22%	33.99%
C	Tax thereon at the above rate (A*B)	478	532	345	239	91	118
D	Permanent differences						
	Expenses disallowed under the Income Tax Act 1961 (I.T. Act)	41	59	2	3	-	-
	Dividend - exempt under I. T. Act	(81)	(47)	(17)	(12)	(5)	(6)
	Deduction under section 10AA and Section 10B under the I.T. Act	(659)	(1,047)	(1,029)	(728)	(316)	(54)
	Deduction under section 32AC under the I.T. Act	(141)	-	-	-	-	-
	Total	(840)	(1,035)	(1,044)	(737)	(321)	(60)
E	Timing differences						
	Difference in book depreciation and depreciation under I.T. Act	54	87	126	117	34	(302)
	Expenses allowed on payment basis	31	54	36	24	13	16
	Provision for / (Reversal of) Doubtful Debts	(9)	10	-	-	-	-
	Gain on sale of assets	-	-	-	-	(1)	-
	Total	76	151	162	141	46	(286)
F	Net adjustments (D+E)	(764)	(884)	(882)	(596)	(275)	(346)
G	Tax expenses / (saving) thereon	(260)	(300)	(286)	(193)	(91)	(118)
H	Incremental tax arising under Minimum Alternate Tax under section 115JB of I.T. Act	90	96	141	105	13	10
I	Current Tax (C + G + H)	308	328	200	151	13	10
J	MAT credit entitlement	(90)	(96)	(141)	(105)	(13)	(10)
K	Deferred tax	(6)	(14)	(17)	(19)	3	42
L	Total Tax expenses (I + J + K)	212	218	42	27	3	42

Notes:

1. The aforesaid Statement of Tax Shelter has been prepared as per the restated summary statement of profits and losses of the Company.
2. The above statement should be read with the notes to restated summary statements of assets and liabilities, profits and losses and cash flows as appearing in Annexure IV.

FINANCIAL INDEBTEDNESS

As on February 28, 2015, the aggregate outstanding borrowings of our Company are as follows:

Sl. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	486.3
2.	Unsecured Borrowings	1,041.4

(₹ In Millions)

The details of indebtedness of our Company as on February 28, 2015, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
I. Loans availed by our Company								
1.	The Bank of Nova Scotia	a) Facility letter dated October 28, 2011; b) Deed of hypothecation dated February 28, 2011; c) Supplementary deed of hypothecation dated November 9, 2011; d) Demand promissory note dated November 9, 2011; e) Letter of continuing security dated November 9, 2011; f) Agreement for hypothecation of goods and	500.0 divided as follows: (a) 500.0 as overdraft, revolving term loan, export packing credit and export bill discounting; (b) 100.0 as bill discounting (local), import letters of credit and guarantees; and (c) 500.0 as bank guarantees for availment of buyer's credit	-	Overdraft facility - Rates specifically advised from time to time Revolving term loan - Rates specifically advised from time to time on interest periods of between 7 and 90 days Export packing credit - Rates specifically advised from time to time and as per the prevailing RBI guidelines from time to time Export bill discounting - Rates specifically advised from time to time and as per the prevailing RBI guidelines from time to time Bill discounting (local) - Rates specifically advised from time to time and as per the prevailing RBI guidelines from time to time Letters of credit - to establish letters of credit for import of raw materials, machinery and	Overdraft facility - for working requirements Revolving term loan - for working capital requirements Export packing credit - to finance exports Export bill discounting - to finance export receivables Bill discounting (local) - for working capital requirements Letters of credit - to establish letters of credit for import of raw materials, machinery and	All amounts outstanding under each of the facilities shall be repayable on demand	First charge on the entire current assets and movable fixed assets of our Company on a <i>pari passu</i> basis with other banks in the multiple banking arrangement

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/Commission rate (%)	Purpose	Repayment	Security
		receivables dated February 28, 2011; and g) Letter of counter guarantee / indemnity dated February 28, 2011			from time to time Letters of credit - Commission of 1% per annum payable at the time of issuance of each letter of credit Guarantee - Commission of 1% per annum payable at the time of issuance of each such bank guarantee for the period of the guarantee (minimum ₹1,000) and at the time of any extension or renewal of each such guarantee for the time of each such extension or renewal Bank guarantee for availment of buyer's credit – At the rates specifically advised for the facility from time to time and as per prevailing RBI guidelines from time to time	equipment Guarantee - for issuance of financial, customs, excise and sales tax guarantees. Bank guarantee for availment of buyer's credit – for working capital requirements		
2.	The Royal Bank of Scotland N.V. (previously disbursed by ABN Amro Bank N.V.)	a) Facility letter for export packing credit dated January 22, 2008 and addendum dated February 25, 2008; b) Term sheet for buyer's credit facility dated February 26, 2008;	US\$ 10.0 million divided as follows: (a) US\$ 5.0 million as buyer's credit; and (b) US\$ 5.0 million as export packing credit facility	-	Buyer's credit facility - the pricing shall be applicable 6 months USD / JPY LIBOR plus 100 bpps plus withholding tax (withholding tax (approximately 10.2%) to be payable on coupon by our Company to the Government of India) Export packing credit facility	Buyer's credit facility – Import of capital and non capital goods Export packing credit facility – Export packing credit	The buyer's credit facility is available for upto a maximum of three years in case of import of capital goods and upto one year for the import of non-capital goods.	Buyer's credit facility All of our Company's present and future stock-in-trade, raw materials, spares, consumable, stores, semi finished goods, goods in the process of manufacturing, finished goods and manufactured goods and all other merchandise belonging to or at the

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
		c) Deed of hypothecation dated March 19, 2008; d) Supplemental deed of hypothecation dated September 5, 2008; e) Demand promissory note dated February 28, 2008; and f) Letter of continuity for demand promissory note dated February 28, 2008			– As per RBI guidelines		The export credit facility is available for a maximum period of 180 days	disposal of our Company All of our Company's present and future current assets including but not limited to book debts, outstanding monies, receivables, claims, bills, cash in hand, cash at bank, investments, securities, contracts, chose in action, rights to or in movable properties and movable assets which are now due and owing or payable or belonging to our Company
							Export packing credit facility The bank shall hold all the present and future properties, revenues and rights of every description, including those assets held to the bank's order or for account of our Company (whether for safe custody, collection, security or for any specific purpose or generally) as continuing security for the payment and discharge of all of our Company's obligations and liabilities to the bank The bank shall have a pledge on (i) documents,	

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
3.	The Hong Kong and Shanghai Banking Corporation Limited	a) Deed of hypothecation against plant and machinery and other movable assets dated August 23, 2004; b) Agreement for overdraft / cash credit / guarantee / import limits or any other banking limits against hypothecation of plant and machinery and other movable assets dated	1,588.0 divided as follows: a) Working capital loan of 50.0; b) Overdraft facility of 50.0; c) Export facility for purchase / negotiation of documents against payment of upto 650.0; d) Export facility for purchase / negotiation of documents against	486.3	The interest rate on the working capital loan shall be mutually decided The interest rate on the overdraft facility will be charged on daily balances at the negotiated rate, but subject to fluctuation at the bank's discretion and payable in monthly arrears of our Company's debit account The commission for the export facility for purchase / negotiation of documents against payment shall be	Working capital	The working capital loan shall have a maximum tenor of six months The maximum tenor of the overdraft facility shall be available on demand. The maximum tenor of the export facility for purchase / negotiation of documents	bills of exchange, negotiable instruments, documents of title, transport documents, insurance policies, delivery orders, godown warrants any other documents processed by or handled through the bank; and (ii) the goods described by, described in or howsoever relating to the documents or which is subject to the financing by the bank in whatever form or manner, until all obligations owed by our Company to the bank have been fully discharged First <i>pari passu</i> charge on the stocks and receivables, plant and machinery and other movable assets of our Company The entire plant and machinery, machinery spares, tools and accessories both present and future, whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about our Company's premises The entire present and

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
		July 11, 2007; c) Second supplemental hypothecation agreement for plant and machinery dated January 17, 2008; d) Agreement for overdraft / cash credit dated May 15, 2008; e) Third supplemental hypothecation agreement for plant and machinery dated July 29, 2008; f) Fourth supplemental hypothecation agreement for plant and machinery dated December 24, 2008; g) Fifth supplemental hypothecation agreement for plant and machinery dated February 17, 2009; h) Supplemental hypothecation agreement for stocks and receivables and plant and machinery dated August 20, 2010; and	acceptance of upto 650.0; e) Pre-shipment loan against export of 650.0; f) Import documentary credits of 135.0; g) Import deferred payment credits of 135.0 h) Import deferred payment credits (shipping guarantees) of EUR 14,000; i) Import documentary credits (controlling line) of 800.0; j) Buyer's credit (for capital expenditure) of 800.0; k) One off Import deferred payment credits of EUR 600,000; l) Guarantees of 10.0; m) Import lines (controlling lines) of 350.0;		mutually agreed The commission for the export facility for purchase / negotiation of documents against acceptance shall be mutually agreed The commission for the pre-shipment loan against export shall be mutually agreed The commission for the import documentary credits shall be mutually agreed The commission for the import deferred payment credits shall be mutually agreed The commission for the import deferred payment credits (shipping guarantees) shall be mutually agreed The commission for the import documentary credits (controlling line) shall be mutually agreed The commission for the buyer's credit (for capital expenditure) shall be mutually agreed The commission for one off import deferred payment		against payment shall be normally stipulated transit periods The maximum tenor of the export facility for purchase / negotiation of documents against acceptance shall be 180 days The maximum tenor of the pre-shipment loan shall be 180 days The import documentary credits shall be available at sight The maximum tenor for the import deferred payment credits shall be 180 days The import deferred payment credits (shipping guarantees) shall be available for 5	future stock of raw materials, stock in process, stores, semi finished and finished goods and tools whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about our Company's premises The entire present and future book debts, outstanding monies, receivables, claims due and owing or which at any time become due and owing to our Company

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
		i) Deed of hypothecation for stocks and receivables against hypothecation of revolving stocks and other movable assets and also present and future book debts dated January 24, 2009	n) Buyer's credit (for raw materials) of 350.0; o) Import documentary credits of 350.0; p) Import deferred payment credits of 350.0; q) Foreign exchange lines of 1,600.0; r) Foreign exchange options of 1,600.0; s) Currency swap of 1,600.0; t) Interest rate swap of 1,600.0; u) Foreign exchange lines of 1,050.0; v) Foreign exchange options of 400.0; w) Currency swap of 400.0; x) Interest rate swap of 400.0; and y) One off foreign		credits shall be mutually agreed The commission for issuance of financial and performance guarantee shall be mutually agreed. The commission for issuing bond, financial and performance guarantees shall be charged at 0.75% per annum The commission for the buyer's credit (for raw materials) shall be mutually agreed The commission for the import documentary credit shall be mutually agreed The commission for the import deferred payment credit shall be mutually agreed		years The maximum of the buyer's credit (for capital expenditure) shall be 3 years The maximum tenor of the one off import deferred payment credits shall be 18 months The maximum tenor of the guarantees shall be 36 months The maximum tenor of the buyer's credit (for raw materials) shall be 180 days The import documentary credits shall be available at sight The maximum tenor of the import deferred payment credits	

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
			exchange line of 150				shall be 180 days The maximum tenor of the foreign exchange lines shall be 36 months The maximum tenor of the foreign exchange option shall be 36 months The maximum tenor of the currency swap shall be 36 months The maximum tenor of the interest rate swap shall be 36 months The maximum tenor of the foreign exchange lines shall be five years The maximum tenor of the foreign exchange options shall be five years	

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
							<p>The maximum tenor of the currency swap shall be five years</p> <p>The maximum tenor of the interest rate swap shall be five years</p> <p>The maximum tenor for the one off foreign exchange line shall be six and a half years.</p>	
4.	HDFC Bank Limited	<p>a) Sanction letter dated May 11, 2010;</p> <p>b) Demand promissory note;</p> <p>c) Letter of continuity;</p> <p>d) Letter confirming that the limit is within the MPBF of our Company; and</p> <p>e) Continuing agreement cum indemnity for export</p>	250.0	240.3	As applicable from time to time and communicated by the bank	Working capital	<p>The tenor of the facility is 180 days. The facility is repayable on maturity</p> <p>-</p>	

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
		credit						
5.	Yes Bank Limited	a) Term sheet dated December 30, 2013; b) Master facility agreement dated January 13, 2014; c) Demand promissory note dated January 13, 2014; d) Letter of continuity dated January 13, 2014; and e) Undertaking cum indemnity dated January 13, 2014	800.0 which can be used in the following manner: a) 800.0 post shipment credit in foreign currency (PCFC) b) 800.0 pre shipment credit in foreign currency (PSFC, which shall be a sublimit of the PCFC)	801.1	PCFC - Commission to be decided at the time of drawdown within applicable regulatory guidelines PSFC - Commission to be decided at the time of drawdown within applicable regulatory guidelines	PCFC - To meet the working capital requirements PSFC - To meet the working capital requirements	PCFC - the tenor of the facility is a maximum of 6 months PSFC - the tenor of the facility is a maximum of 6 months	-
6.	HDFC Bank Limited	a) Sanction letter dated April 26, 2010; b) Loan agreement dated May 20, 2010; c) Letter of general lien and set off dated May 20, 2010; d) Demand promissory note dated May 20, 2010; e) Letter of continuity for the demand promissory note	Cash credit, working capital demand loan, export credit of 100.0	-	Interest shall be as applicable from time to time and communicated by the bank	Working Capital	Cash credit – on demand working capital demand loan, export credit – Upto 180 days	The loan is secured by a letter of continuing guarantee from Biocon Limited dated May 20, 2010

Sl. No.	Lender	Particulars of the documentation	Amount sanctioned (in ₹ Million, unless otherwise stated)	Amount outstanding (in ₹ Million)	Interest rate/ Commission rate (%)	Purpose	Repayment	Security
		dated May 20, 2010; f) Letter of continuing guarantee dated May 20, 2010; g) Continuing agreement cum indemnity for export credit dated May 20, 2010; h) Letter of continuing guarantee from Biocon Limited dated May 20, 2010; and i) Undertaking that the facility would be used for working capital purposes dated May 14, 2010						

(i) **Brief description of the material covenants of the ₹500.0 million facility availed by our Company from the Bank of Nova Scotia**

- (a) Until all debts have been discharged in full, our Company is required to maintain (i) a ratio of current assets to current liabilities of not less than 1 to 1 at all times; (ii) a ratio of total liabilities to tangible net worth of not more than 1.5 to 1 at all times; and (iii) interest coverage ratio of not less than 3.0 to 1.0 or better at all times.
- (b) Biocon is required to maintain a majority holding in our Company at all times.
- (c) All indebtedness and liability of our Company to the bank is repayable by our Company to the bank at any time on demand. Our Company will provide cash security, at the time demand is made, for all amounts outstanding under the non fund based credit facilities, being import letters of credit and guarantees, plus any future commissions and fees that will become payable for the remaining tenor of the bank guarantees issued and outstanding, and the letters of credit opened and outstanding, under these non fund based facilities.

- (d) Our Company shall at all times maintain a margin of 133% between the market value of our present and future book debts, outstandings, moneys, receivables, claims, bills, contracts, engagements, securities and other rights and assets and the balance due to bank for the time being.
- (e) Any default under any other credit, loan or security agreement shall be considered as an event of default under this facility.
- (f) The counter guarantee provided shall not be prejudiced or in any way be affected by a change in the constitution of our Company howsoever arising.

(ii) Brief description of the material covenants of the US\$ 10.0 million facility availed by our Company from The Royal Bank of Scotland N.V. (previously disbursed by ABN Amro Bank N.V).

- (a) Biocon shall hold a minimum of 76% of the share capital of Syngene International Limited.
- (b) Our Company shall maintain the following financial covenants for the buyer's credit facility and export packing credit facility:
 - (i) total debt / tangible net worth of less than equal to 1.5; and
 - (ii) total debt / EBITDA of less than equal to 3.5.
- (c) Our Company shall inform the bank on the occurrence of events including:
 - (i) enforcement against our Company in relation to any guarantee given by our Company;
 - (ii) any damage to the hypothecated assets for any reason whatsoever;
 - (iii) institution of legal proceedings against our Company by any person making a claim for money against our Company;
 - (iv) any distress or other process of court being taken against the hypothecated goods; and
 - (v) any default by a constituent of our Company in paying an amount forming part of the hypothecated goods.
- (d) The following acts of our Company shall be considered 'act of default' by the bank:
 - (i) if our Company uses the facilities for any purpose other than those for which the facilities were sanctioned;
 - (ii) if our Company commits a default in respect of its obligations to any other bank or financial institution;
 - (iii) if there is a substantial change in the shareholding pattern of our Company or in the management / control of our Company; and
 - (iv) creating any manner of interest in the hypothecated goods in favour of a third party, without the bank's prior written approval.
- (e) Our Company shall promptly notify the bank in writing of any substantial change in its shareholders, management or constitutive documents.

(iii) ***Brief description of the material covenants of the ₹1,588.0 million facility availed by our Company from the Hong Kong and Shanghai Banking Corporation Limited***

NIL

(iv) ***Brief description of the material covenants of the ₹250.0 million working capital facility availed by our Company from HDFC Bank Limited***

Any change in the shareholding of the Promoter in our Company is required to be intimated to the bank.

(v) ***Brief description of the material covenants of the ₹800.0 million credit facility availed by our Company from Yes Bank Limited***

(a) So long as the facilities or any part thereof are outstanding, and until full and final payment of all moneys, our Company is required to ensure that financial covenants as stipulated by the bank are complied with.

(b) So long as the facilities or any part thereof are outstanding, and until full and final payment of all moneys, our Company is restricted from undertaking the following actions, without the prior written consent of the bank:

- (i) Amend or modify its constitutional documents, if any;
 - (ii) Contract, create, incur, assume or suffer to exist any indebtedness or avail of any credit facilities or accommodation from any bank(s) or financial institution(s) or any person, firm or company in any manner (other than the bank(s) at present providing the working capital facilities to our Company), except as otherwise permitted;
 - (iii) Declare or pay any dividend or authorise or make any distribution to its shareholders / members / partners or permit withdrawal of amounts brought in (a) unless it has paid all the dues in respect of the facilities up to the date which the dividend is proposed to be declared or paid; or (b) if an event of default has occurred and is subsisting;
 - (iv) Undertake any new project, diversification, modernisation, which are material in nature, or substantial expansion of projects; and
 - (v) Issue any further share capital, whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever.
- (c) The occurrence of any one or more of the following events shall constitute an 'event of default':
- (i) A change in ownership, management and / or control of our Company including without limitation any change in the chief executive officer or the managing director, by whatever name called without the prior written consent of the bank;
 - (ii) Our Company ceasing or threatening to cease to carry on the business; and
 - (iii) Our Company fails to pay any outstanding amount to meet any obligation when due to the bank and / or to any other person other than the bank, or the occurrence of an event of default in relation to any of our credit facilities or other arrangements with the bank and / or any other person, other than the bank.

- (d) Our Company agrees to indemnify and keep fully indemnified and hold harmless and save the bank against (a) any claims, losses or damages, costs, charges and expenses including litigation expenses whatsoever, which maybe brought or made against or sustained or incurred by the bank (and whether paid by the bank or not) or which the bank may become liable under or in respect of this agreement; (b) action or proceedings made or brought against the bank, its correspondents or confirming banks or agents; (c) any liability or loss incurred or suffered by it, its correspondents or confirming banks or agents; (d) every payment made, obligation, liability, loss and damage, penalties, taxes etc whatsoever undertaken or incurred or suffered by the bank (whether directly or indirectly) under or in connection with and / or arising under the agreement with the bank; (e) against any liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the bank.

(vi) Brief description of the material covenants of the ₹10.0 million credit facility availed by our Company from HDFC Bank Limited

- (a) Any change in the promoter's shareholding is required to be intimated to the bank.
- (b) All additional borrowings are required to be intimated to the bank.
- (c) Our Company is required to indemnify and hold the bank harmless from and against any and all losses, damages or other consequences which may arise or result from giving the loan to our Company and reimburse the bank upon demand of all such sums and, shall upon request, appear and defend at our Company's own cost and expense any action which maybe brought against the bank in connection therewith.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the sections "Summary Financial Data" and our Restated Financial Statements and the related notes included elsewhere in this Draft Red Herring Prospectus. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results and the timing of selected events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this Draft Red Herring Prospectus.

Our Restated Financial Statements have been derived from our audited financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI ICDR Regulations and are included under the section "Financial Statements" on page 175 of this Draft Red Herring Prospectus. Indian GAAP differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Accordingly, the degree to which the Restated Financial Statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations.

Overview

We are one of the leading India-based CROs, offering a suite of integrated, end-to-end discovery and development services for NMEs across industrial sectors including pharmaceutical, biotechnology, agrochemicals, consumer health, animal health, cosmetic and nutrition companies. Our service offerings in discovery and development cover multiple domains across small molecules, large molecules, ADCs and oligonucleotides. Our integrated discovery and development platforms help organisations conduct discovery (from hit to candidate selection), development (including pre-clinical and clinical studies, analytical and bio-analytical evaluation, formulation development and stability studies) and pilot manufacturing (scale-up, pre-clinical and clinical supplies) under one roof with a distinctive economic advantage. Our service offerings also support the development of bio-similar and generic molecules. In the near term, we intend to forward integrate into commercial-scale manufacturing of NMEs.

Outsourcing discovery and development work is an established alternative to in-house development among multinational organisations. While traditionally multinational organisations had looked at outsourcing as a way to reduce their R&D expenditures, the R&D outsourcing industry is evolving from a mere leveraging of cost arbitrage to enhancing R&D productivity and reducing the time to market.

According to the Frost & Sullivan Report, the global R&D expenditure for the pharmaceutical industry in 2014 was approximately US\$139 billion, of which US\$105 billion could be potentially outsourced. According to the IQ4I Report, the global CRO market for discovery services, our core focus area in the CRO sector, was estimated to be US\$14.7 billion in 2014 and is expected to reach US\$22.7 billion in 2018, reflecting a CAGR of 11.5% (2014-18).

As an experienced CRO with a proven track record of providing quality NME discovery, development and manufacturing services and continued focus on reliability, responsiveness and protection of client's intellectual property, we believe we are well-positioned to benefit from the expected growth in the CRO industry. We offer an attractive variable cost alternative to the traditionally fixed cost, in-house, resource intensive business model of R&D focussed organisations.

We offer services through flexible business models that are customised to our client's requirements. These range from a FTE to a FFS model, or a combination thereof. During the nine months period ended December 31, 2014, we serviced 195 clients, ranging from multinational corporations to start-ups, including seven of the top 10 global pharmaceutical companies by sales for 2014. (*Source for top 10 global pharmaceutical companies by sales for 2014 — IMS Health MIDAS, December 2014*) We have several long-term relationships and multi-year contracts with our clients, including three long-duration multi-disciplinary partnerships, each with a dedicated research centre, with three of the world's leading global healthcare organisations BMS, Abbott and Baxter.

We deliver our services through a combination of scientific talent, globally accredited systems and R&D infrastructure. As of December 31, 2014, our tangible fixed assets (gross block) were ₹9,010 million. Our laboratory and manufacturing facilities are spread over more than 900,000 sq. ft. and located in Bengaluru,

India. As of February 28, 2015, we had 2,096 scientists, including 259 Ph.Ds. and 1,661 scientists with a Master's degree.

We were incorporated in 1993 and are headquartered in Bengaluru, India. We are a subsidiary of Biocon, a global biopharmaceutical enterprise focused on delivering affordable formulations and compounds. Biocon has been listed on the Indian stock exchanges since 2004 and as of March 31, 2015 had a market cap of ₹93.9 billion on the BSE as well as the NSE. Over the years, Biocon has successfully brought to the market several affordable and alternative therapeutic drugs in the areas of diabetes, oncology and auto-immune diseases. Biocon is currently focused on bringing its portfolio of generic insulins and bio-similar monoclonal antibodies to global markets.

For the nine months period ended December 31, 2014, we generated total revenue of ₹6,175 million, restated profit of ₹1,194 million and EBITDA of ₹2,071 million. For the fiscal year ended March 31, 2014, we generated total revenue of ₹7,077 million, restated profit of ₹1,348 million and EBITDA of ₹2,226 million. For the three fiscal years ended March 31, 2014, our total revenue, restated profit and EBITDA grew at a CAGR of 29.9%, 70.5% and 30.6%, respectively.

Effective April 1, 2014, our subsidiary Clinigene, through which we have provided our clinical research and clinical trial services, was amalgamated with us. Prior to this date, our results did not include the results of Clinigene.

For the fiscal year ended March 31, 2014, our revenue from the sale of services was ₹6,871 million. For the fiscal year ended March 31, 2014, we derived 39.2% and 60.8% of our revenue from the sale of services from long-term contracts with dedicated infrastructure and other contracts, respectively. For the fiscal year ended March 31, 2014, we derived 97.2% and 2.8% of our revenue from the sale of services to customers outside India and from customers in India, respectively.

Key Factors Affecting Our Results of Operations

The following are key factors that have affected, and are expected to affect, our results of operations:

New clients and client order growth

Our revenue is generated from services provided to R&D focussed organisations, primarily in the life sciences industry. Growth in sales from existing clients and the acquisition of new clients have been the key drivers of our historical growth, and we expect that these factors will remain critical going forward as well. Our strategy works on the maxim of “engage, expand and extend”, whereby we continually strive to expand client relationships beyond a client's initial engagement point in our service offerings to provide additional discovery, development and manufacturing services. This service portfolio expansion also helps us extend the client relationship over a longer period of time where we grow from being just a service provider to an extension of their R&D efforts. Over time, we have not only succeeded in growing the number of our clients but have also increased the average revenue from our largest clients and the number of services we offer to them. For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, we derived revenue from 103, 152, 165 and 195 clients, respectively, and our top 10 clients generated revenue of ₹3,229 million, ₹3,843 million, ₹4,766 million and ₹4,272 million, respectively, accounting for 79.0%, 71.2%, 69.4% and 71.7% of our total revenue in those periods, respectively.

Global trends in outsourcing business

The global R&D outsourcing industry has grown significantly in recent years driven to a large extent by pharmaceutical companies that face growing pressure to introduce new drugs into the market rapidly with lower development costs. The factors behind this are described in more detail in the “Industry Overview” section on page 106. As an experienced CRO, we believe that we are well positioned to capitalise on the advantages of conducting NME discovery, development and manufacturing in India, while emphasising quality, responsiveness, protection of client intellectual property and reliability. However, as described further under “Risk Factors — Internal Risks” on page 16 there are a number of countertrends that may undermine the growth in outsourcing to companies such as ours. These include political opposition in developed country markets to outsourcing and negative perception of quality and intellectual property protection in India or outsourcing hubs in other developing countries such as China.

Competition

The R&D outsourcing industry consists of a number of full-service global CROs and numerous other small, limited-service providers. The industry continues to experience consolidation and, in recent years, a group of large, full-service competitors has emerged. These larger competitors have a much broader portfolio of business, greater resources and more experience than us. In addition to competing with a number of global, full-service companies and smaller providers, we also face competition from clients' captive R&D centres and from newer, smaller companies with speciality focuses, such as those aligned to a specific technology platform, service area, disease or therapeutic area.

Competitive pressures affect the pricing of our contracts. Greater competition for particular services will generally have a negative impact on our pricing. In addition, our ability to win new business and retain existing client business is also impacted by the competitive landscape. We will continue to seek to distinguish our service offerings by providing quality services at competitive prices.

Material costs

Material costs are the largest component of our cost structure. Material costs are the costs of chemicals, reagents and consumables consumed over a particular period adjusted for change in inventories. We procure these materials from vendors, both in India and overseas. We have generally been able to bill any additional spend on materials to our clients for our FTE contracts. However in FFS contracts, which are fixed-price contracts, increases in material costs are generally not billed to our clients. Material costs for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, were ₹1,123 million, ₹1,452 million, ₹1,914 million and ₹1,726 million, respectively. As a percentage of revenue from operations for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, material costs were 26.9%, 26.4%, 27.4% and 28.4% respectively. Our material costs are dependent on the nature of services being provided under client engagements, global commodity prices and are also impacted by currency fluctuations. We expect that our material costs will increase over time with the change in the mix of our services from discovery and development to manufacturing.

Employee benefits expense

Employee benefits expense constitutes a substantial component of our costs and is an important factor in determining our profitability. Although the relatively lower cost of skilled labour has been an important factor in the success of Indian outsourcing businesses, including our own, our per-employee benefits expense has steadily risen in line with general compensation trends in India. In addition, our employee headcount has grown with the expansion of our business. Employee benefits expense for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, was ₹984 million, ₹1,235 million, ₹1,556 million and ₹1,491 million, respectively, and our employee headcount figures for those periods were 1,729, 1,867, 2,108 and 2,600, respectively. As a percentage of revenue from operations for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, employee benefits expense stood at 23.6%, 22.4%, 22.2% and 24.5%, respectively.

We expect that our employee benefits expense will continue to increase over the coming years due to continued escalation in salaries and benefits as well as headcount growth. While we will seek to reflect compensation increases in our pricing, an inability to pass on such increases to our clients will adversely affect our profitability. In previous periods, we have been able to partially cover the increase in employee benefits expense through upward rate revisions in our client contracts and distributing these expenses over an expanding revenue base.

Fluctuations in the exchange rate between the Indian Rupee and the U.S. dollar

Our financial statements are reported in Indian Rupees. However, almost all of our revenue from operations, a large portion of our equipment purchases, a portion of our material costs and much of our debt (and hence our interest expense) are denominated in U.S. dollars. In addition, we may, from time to time, maintain surplus funds with banks in foreign currency denominated accounts. Many of our other costs, including employee benefits expense and a significant portion of our material costs, are Indian Rupee-denominated. Fluctuations in the exchange rate between the Indian Rupee and the U.S. dollar, therefore, affect our results of operations. For example, depreciation of the Indian Rupee against the U.S. dollar would generally expand our Indian Rupee-reported revenues, while at the same time increasing our capital expenditure outlays and interest cost. Similarly

an appreciation of the Indian rupee against the U.S. dollar would generally have the contrary effects. Based on RBI data, the average Indian Rupee/U.S. dollar exchange rate for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014 was ₹47.95/dollar, ₹54.45/dollar, ₹60.50/dollar and ₹60.77/dollar, respectively.

We typically hedge between 50% to 100% of our expected net foreign exchange exposure for a period of up to two years, which is revised upwards or downwards, as appropriate, on a quarterly rolling basis. Moreover, for our long-term fixed-price client contracts, we seek to hedge up to 100% of net foreign exchange exposure over the contract term. These hedges are obtained through a combination of various derivative instruments like plain puts and range forwards.

Most of our current outstanding exposure is hedged via puts which provide a base floor protection with upward participation in the event of Indian Rupee depreciation beyond the specified floor. In order to access these derivative instruments, we pay a hedging cost to the banks. This cost appears under the “Other Expenses” line item in our income statement. While these hedges provide us protection from currency fluctuation, these are subject to their own risks, including counterparty credit risk.

For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, we recorded losses from net foreign exchange difference of ₹108 million, ₹398 million, ₹459 million and ₹67 million, respectively. A significant portion of these foreign exchange losses incurred in fiscal 2012, 2013 and 2014 was principally on account of certain lower priced forward contracts taken in fiscal 2009 to cover for expected cash flows from a long-term fixed-price client contract. For the nine months period ended December 31, 2014, the net foreign exchange difference refers primarily to hedging expenses relating to derivative instruments settled during the period. Our hedging policy has migrated from instruments like forward contracts to plain puts and range forwards, mainly to reduce volatility.

Tax expenses

A significant portion of our operations are conducted at an SEZ in Bengaluru, and hence we are able to avail various tax benefits extended by the Government to India to SEZs. Our facilities at the SEZ comprise of multiple units and each unit is entitled to a separate tax holiday period based on the start date of operations at that unit. The tax holiday applicable on each unit is as follows:

- for the first five years of operations (year 1 to year 5) - no income tax is applicable;
- for the next five years of operations (year 6 to year 10) – 50% of the applicable income tax rate; and
- subsequent to the 10th year of operations (year 11 onwards) – 100% of the applicable income tax rate.

While we avail of the benefits described above, we are required to pay the Minimum Alternate Tax (“MAT”) on the book profits of the relevant financial year. If, after taking into account the benefits above, our effective tax rate is lower than the MAT, then we are entitled to a MAT tax credit, which is offset against the current tax payable. Total tax expense (current and deferred tax less MAT credit entitlement) for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, was ₹27 million, ₹42 million, ₹218 million and ₹212 million, respectively. The effective tax rate, which we define as total tax expenses divided by restated profit before tax, for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014 was 3.7%, 4.0%, 13.9% and 15.1% respectively. The escalation in our tax rate over the past periods reflects the movement of several of our units from a lower tax bracket to the next higher tax bracket. We are currently expanding our operations and hence the effective tax rate going forward would reflect the blended impact of the applicable rates on the existing and new units.

We are involved in certain tax-related legal proceedings pending at different levels of adjudication. We have not made provisions for the amounts involved in such tax matters in our financial statements and the same has been disclosed as Contingent Liabilities in accordance with “Accounting Standard 29 — Provisions, Contingent Liabilities and Contingent Assets.” For further details, please refer to the section “Outstanding Litigation and Material Developments” on page 211.

The Government of India, as part of the Union Budget for fiscal 2016, has announced the reduction of corporate tax rate from 30% to 25% over the next four years. The Government of India has also announced that this will

be accompanied by the removal of certain exemptions and benefits available to companies. The withdrawal of exemptions and benefits will be done in a phased manner commencing from fiscal 2017. We cannot predict the impact, if any, of the withdrawal of any such exemptions and benefits at this point of time.

Clinigene amalgamation

As of April 1, 2014, our subsidiary Clinigene was amalgamated with us pursuant to a court-approved scheme. This transaction was accounted for on a pooling-of-interest basis, and since April 1, 2014, the assets, liabilities and results of our legacy Clinigene business have been included in our financial statements. Prior to that period, Clinigene had been accounted as an investment on an historical cost basis. Accordingly, when comparing our financial information beginning April 1, 2014 to our financial information in prior periods please note that prior periods did not include Clinigene's assets, liabilities or results. In addition, beginning April 1, 2014, our revenue and expenses include the results from our legacy Clinigene business. In fiscal 2012, 2013 and 2014, the revenue from our legacy Clinigene business was ₹291 million, ₹385 million and ₹444 million, respectively, and its net income (profit/(loss)) after tax for those years was ₹(45) million, ₹5 million and ₹45 million, respectively. See note 1.1 in Annexure IV to our Restated Financial Statements for more information on the Clinigene amalgamation and its accounting effects.

Growth of manufacturing

We currently manufacture developmental batches of both small and large molecules to support scale-up studies, pre-clinical and clinical trials for multiple clients. We are expanding our manufacturing capabilities for both small and large molecules at our current manufacturing facility in Bengaluru and intend to develop commercial-scale manufacturing facilities for small molecules at an SEZ in Mangaluru.

With the expansion of our manufacturing facilities, we expect manufacturing to contribute to a greater share of our revenues going forward. In line with this expected shift in business mix, we anticipate an increase in material cost, employee benefits expenses, power and utility costs, depreciation, interest and other operating expenses in line with the expected increase in revenue.

Critical Accounting Policies

In preparing our financial statements in conformity with Indian GAAP, we make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. We base these judgments, estimates and assumptions on our historical experience and on various assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Our financial performance may differ if prepared under different assumptions or conditions. For additional information, see note 2.1 in Annexure IV to our Restated Financial Statements.

Tangible fixed assets and depreciation

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure are charged to the statement of profit and loss for the period during which such expenses are incurred.

The Company adjusts exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset to the cost of the asset and depreciates the same over the remaining life of the asset. In accordance with MCA circular dated 09 August 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Assets funded by third parties are capitalised at gross value and the funds so received are recorded as deferred revenue and amortised over the useful life of the assets/period of contract.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management, or those prescribed under the Schedule XIV to the Companies Act 1956, whichever is higher, up to March 31, 2014. During the nine month period ended December 31, 2014, pursuant to Companies Act, 2013 applicable from April 1, 2014, management evaluated the estimates of useful lives of its fixed assets as per the requirements of Schedule II of the Companies Act, 2013 and concluded that there is no change in the estimated useful lives. Hence, there is no impact on the financial statements in this regard.

The Company has determined the following useful lives to provide depreciation on its fixed assets:

Classes of Assets	<u>Useful lives estimated by the management (years)</u>	<u>Useful lives stated in Schedule II (years)</u>
Buildings	25	30
Plant and machinery	9	10 – 15
Computers and servers	3	3 – 6
Office equipment	3	5
Furniture and fixtures	6	10
Vehicles	6	8

Used assets acquired from third parties are depreciated on straight line basis over their remaining useful life of such assets.

Management's estimates of useful lives of certain fixed assets are lower than those stated in Schedule II to the Companies Act, 2013. Management has estimated these useful lives after taking into consideration technical advice, prior asset usage experience and the risk of technological obsolescence.

Retirement and other employee benefits

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the employees rendered the related service and the contributions to the government funds are due. The Company has no obligation, other than the contribution payable to the provident fund authorities.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial period / year. The gratuity benefit of the Company is administered by a trust formed for this purpose through the group gratuity scheme. Actuarial gains and losses are recognised in full in the period in which they occur in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the period/year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer the settlement for 12 months after the reporting date.

Foreign currency translation

Foreign currency transaction and balances

(a) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(b) Conversion

Foreign currency monetary items are retranslated using exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(c) Exchange differences

The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as below:

- i. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalized and depreciated over remaining useful life of the asset.
- ii. Exchange differences arising on other long term foreign currency monetary items are accumulated in “the Foreign Currency Monetary Item Translation Difference Account” and amortized over the remaining life of the concerned monetary item.
- iii. All other exchange differences are recognized as income or as expenses in the year in which they arise.

For the purpose of (i) and (ii) above, the Company treats a foreign monetary item as “long-term foreign currency monetary item”, if it has a term of 12 months or more at the date of its origination. In accordance with MCA circular dated August 09, 2012, exchange differences for this purpose, are total differences arising on long-term foreign currency monetary items for the period. In other words, the Company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange difference.

(d) Forward exchange contracts are entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contracts is amortised and recognised as an expense / income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognised in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period. Any gain/loss arising on forwards contracts which are long-term foreign currency monetary items is recognised in accordance with paragraph (c)(i) and (c)(ii) above.

Income tax

Tax expense comprises current and deferred taxes. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

In the situation where the Company is entitled to a tax holiday under the Income-tax Act, 1961 no deferred tax (assets or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax assets can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred tax relate to the same taxable entity and the same taxation authority.

Minimum Alternate tax (MAT) paid in a year is charged to the statement of the profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Contract research and manufacturing services income

In respect of contracts involving research services, in case of ‘time and materials’ contracts, contract research fee are recognised as services are rendered, in accordance with the terms of the contracts. Revenues relating to fixed price contracts are recognised based on the percentage of completion method determined based on efforts expended as a proportion to total estimated efforts. The Company monitors estimates of total contract revenue and cost on a routine basis throughout the contract period. The cumulative impact of any change in estimates of the contract revenue or costs is reflected in the period in which the changes become known. In the event that a loss is anticipated on a particular contract, provision is made for the estimated loss. In respect of contracts involving sale of compounds arising out of contract research for which separate invoices are raised, revenue is recognised when the significant risks and rewards of ownership of the compounds have passed to the buyer, and comprise amounts invoiced for compounds sold. The Company collects service tax and sales taxes, as applicable, on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Dividends

Dividend income is recognised when the Company’s right to receive dividend is established by the reporting date.

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.

Changes in Accounting Policies

There have been no changes in our Company’s accounting policies in the last five years.

Results of Operations

The following table contains summary restated profit and loss data for the periods indicated:

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Income								
Revenue from operations.....	6,081	98.5	6,995	98.8	5,500	99.3	4,167	99.6
Other income.....	94	1.5	82	1.2	42	0.7	15	0.4
Total revenue (I).....	6,175	100.0	7,077	100.0	5,542	100.0	4,182	100.0
Expenses								
Cost of chemicals, reagents and consumables consumed.....	1,826	29.6	1,898	26.8	1,485	26.8	1,146	27.4
(Increase)/Decrease in inventories.....	(100)	(1.6)	16	0.2	(33)	(0.6)	(23)	(0.5)
Employee benefits expense.....	1,491	24.1	1,556	22.0	1,235	22.3	984	23.5
Other expenses.....	887	14.4	1,381	19.5	1,128	20.4	689	16.5
Depreciation and amortisation expense.....	590	9.6	656	9.3	599	10.8	547	13.1
Finance costs.....	75	1.2	4	0.1	65	1.2	102	2.4
Total expenses (II).....	4,769	77.2	5,511	77.9	4,479	80.8	3,445	82.4
Restated profit before tax [(I) – (II)].....	1,406	22.8	1,566	22.1	1,063	19.2	737	17.6
Tax expenses								
Current tax.....	308	5.0	328	4.6	200	3.6	151	3.6
Less: MAT credit entitlement.....	(90)	(1.5)	(96)	(1.4)	(141)	(2.5)	(105)	(2.5)
Deferred tax.....	(6)	(0.1)	(14)	(0.2)	(17)	(0.3)	(19)	(0.5)
Total tax expense.....	212	3.4	218	3.1	42	0.8	27	0.6

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Restated profit for the period/year.....	1,194	19.3	1,348	19.0	1,021	18.4	710	17.0

Key Components of Our Income Statement

Income

Total revenue is comprised of revenue from operations and other income. Dividends and miscellaneous income reflecting the income received from our holdings in mutual funds and other short-term instruments comprise other income. Of our revenue from operations, sale of services comprised a substantial majority in recent periods, as indicated in the breakdown below:

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Sale of services								
Contract research and manufacturing services income	5,958	96.5	6,871	97.1	5,395	97.4	4,085	97.7
Other operating revenues								
Scrap sales.....	10	0.2	12	0.1	14	0.3	12	0.3
Other operating income	113	1.8	112	1.6	91	1.6	70	1.6
Total revenue from operations	6,081	98.5	6,995	98.8	5,500	99.3	4,167	99.6

Almost all of our revenue from the sales of services come from exports. Sales of services to customers outside India accounted for 92.8%, 95.7%, 97.2% and 95.3% of total sales of services in fiscal years 2012, 2013 and 2014 and the nine months period ended December 31, 2014, respectively. In each of these periods, a large portion of our export sales were denominated in U.S. dollars, with remaining portion largely denominated in Euros. We expect the high contribution of exports to our sales mix to continue.

Total expenses (other than tax)

Total expenses (other than tax) consist of the following:

- Material costs, comprising cost of chemicals, reagents and consumables consumed, adjusted for changes in inventories
- Employee benefits expense
- Other expenses
- Depreciation and amortisation expense
- Finance costs

Material costs. The following table depicts the derivation of our material costs:

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Cost of chemicals, reagents and consumables consumed	1,826	29.6	1,898	26.8	1,485	26.8	1,146	27.4
(Increase)/Decrease in inventories.....	(100)	(1.6)	16	0.2	(33)	(0.6)	(23)	(0.5)

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Material costs.....	1,726	28.0	1,914	27.0	1,452	26.2	1,123	26.9

Employee benefits expense. The following table depicts the breakdown of our employee benefits expense:

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Salaries, wages and bonus	1,303	21.1	1,351	19.1	1,104	19.9	863	20.6
Contribution to provident fund and other funds	61	1.0	56	0.8	46	0.8	36	0.9
Gratuity expenses	30	0.5	36	0.5	22	0.4	15	0.4
Employee stock compensation expense.....	39	0.6	56	0.8	3	0.1	4	0.1
Staff welfare expenses.....	58	0.9	57	0.8	60	1.1	66	1.6
	1,491	24.1	1,556	22.0	1,235	22.3	984	23.5

Other expenses. The following table depicts the breakdown of our other expenses:

	Nine months period ended Dec 31, 2014		Mar 31, 2014		Year ended Mar 31, 2013		Mar 31, 2012	
	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue	₹ in millions	% of total revenue
Rent.....	37	0.6	42	0.6	16	0.3	11	0.3
Communication expenses.....	7	0.1	20	0.3	15	0.3	14	0.3
Travelling and conveyance.....	82	1.3	84	1.2	55	1.0	37	0.9
Professional charges (including auditors' fees).....	88	1.4	112	1.6	70	1.3	47	1.1
Directors' fees	10	0.2	2	-	1	0.0	-	-
Power and fuel	205	3.3	234	3.3	212	3.8	196	4.7
Facility Charges	75	1.2	106	1.5	87	1.6	59	1.4
Insurance.....	16	0.3	16	0.2	12	0.2	11	0.3
Rates and taxes.....	5	0.1	11	0.2	8	0.1	5	0.1
Repairs and maintenance								
Plant and machinery.....	82	1.3	87	1.2	77	1.4	61	1.5
Buildings.....	24	0.4	5	0.1	2	0.0	2	-
Others	36	0.6	66	0.9	50	0.9	41	1.0
Selling expenses								
Freight outwards and clearing charges.....	15	0.2	15	0.2	15	0.3	9	0.2
Sales promotion expenses	10	0.2	11	0.2	9	0.2	10	0.2
Commission.....	10	0.2	-	-	6	0.1	5	0.1
Foreign Exchange difference (net)	67	1.1	459	6.5	398	7.2	108	2.6
Provision for doubtful receivables.....	2	-	10	0.1	-	-	-	-
Printing and stationery.....	6	0.1	11	0.2	8	0.1	7	0.2
Clinical Trial Expenses	36	0.6	-	-	-	-	-	-
Miscellaneous expenses	74	1.2	90	1.3	87	1.6	66	1.6
	887	14.4	1,381	19.5	1,128	20.4	689	16.5

Power and fuel. Power and fuel charges are mainly comprised of charges paid to the SEZ developer, Biocon, towards electricity charges in relation with our operations.

Facility charges. Facility charges consist of payments made to the SEZ developer, Biocon, towards the provision of certain utilities like water and steam, which are consumed in our operations as well as the treatment of effluents and waste generated.

Repairs and maintenance. Repairs and maintenance charges relate to expenses incurred for the maintenance of our facilities, the purchase of spare parts and the expenses relating to contract labour.

Foreign exchange difference (net). Foreign exchange difference (net) includes net gains or losses on our foreign exchange transactions and includes the cost of derivative instruments taken to hedge the foreign currency risk in our operations in addition to any gains or losses made on these derivative instruments.

Tax expenses

Tax expenses are comprised of current taxes payable and provision for deferred taxes, which are offset by any credit entitlement under MAT.

Nine months period ended December 31, 2014

Income

Our total revenue for the nine months period ended December 31, 2014 totalled ₹6,175 million, with revenue from operations of ₹6,081 million for the period. During this period, we derived revenue from 195 clients, and the total revenue from our top 10 clients for the period reached ₹4,272 million. Total revenue in this period also reflected the results of the legacy Clinigene business, which had not been the case in prior years.

Total expenses (other than tax)

We incurred total expenses, which excludes tax expenses, of ₹4,769 million in the nine months period ended December 31, 2014. Key components of these expenses were material costs (₹1,726 million), employee benefits expense (₹1,491 million), depreciation and amortisation expense (₹590 million), cost of power and fuel (₹205 million), repairs and maintenance (₹142 million), foreign exchange difference (net) (₹67 million) and finance cost (₹75 million). Total expenses in this period also reflected the results of the legacy Clinigene business, which had not been the case in prior years.

Restated profit before tax

Our restated profit before tax, defined as total revenue less total expenses (other than tax), was ₹1,406 million for the nine months period ended December 31, 2014.

Total tax expenses

Total tax expenses totalled ₹212 million for the nine months period ended December 31, 2014. While our current tax expense was higher, at ₹308 million, this amount was offset by MAT credit entitlement of ₹90 million and reversal of provision for deferred tax of ₹6 million.

Restated profit for the period, net profit margin

Our restated profit for the period, defined as total revenue less total expenses (inclusive of tax expenses), was ₹1,194 million for the nine months period ended December 31, 2014. Our net profit margin, defined as restated profit divided by total revenue, stood at 19.3%.

Fiscal year 2014 compared to fiscal year 2013

Income

Our total revenue for fiscal 2014 increased by 27.7% to ₹7,077 million, compared with ₹5,542 million in fiscal year 2013. Revenue from operations in fiscal 2014 increased by 27.2% to ₹6,995 million compared with ₹5,500 million in fiscal 2013. Our revenue growth was driven by growth across multiple platforms most notably in discovery chemistry, discovery biology and biologics, supported by the addition of our third dedicated centre known as the Baxter Global Research Centre, reflecting sustained momentum in our business. We also benefitted from depreciation in the Indian Rupee against the U.S. dollar during this period. During fiscal 2014, we derived revenue from 165 clients, and the total revenue from our top 10 clients for the period reached ₹4,766 million, compared with 152 clients and revenue from top 10 clients of ₹3,229 million in fiscal 2013. Based on

RBI data, the average Indian Rupee/U.S. dollar exchange rate was ₹60.50/dollar in fiscal 2014 compared with ₹54.45/dollar in fiscal 2013.

Total expenses (other than tax)

Our total expenses, excluding tax expenses, was ₹5,511 million in fiscal 2014, a 23.0% increase over the fiscal 2013 figure of ₹4,479 million. Our major expense items increased, largely on account of the growth in our business and losses on our foreign exchange hedging contracts. However, the rate of increase of our expenses was lower than the growth in our revenue due to our success in managing overall costs, higher asset turnover, lowering of our interest expense due to repayment of debt and the fact that many of our costs, including materials and employee benefits expenses, are Indian Rupee-denominated and hence diverged from U.S. dollar-denominated revenue in a depreciating Indian Rupee environment. Total expenses (excluding tax expenses) as a percentage of our total revenue decreased to 77.9% in fiscal 2014 as compared to 80.8% in fiscal 2013.

- Material costs was ₹1,914 million in fiscal 2014, a 31.8% increase over the fiscal 2013 figure of ₹1,452 million. This reflects an increase in the use of chemicals, reagents and consumables consumed and a decrease in inventories in fiscal 2014 compared with an increase in inventories in fiscal 2013.
- Employee benefits expense totalled ₹1,556 million in fiscal 2014, a 26.0% increase over the fiscal 2013 figure of ₹1,235 million. This reflects a general increase in salaries paid to our employees and an increase in the number of employees from 1,867 as of March 31, 2013 to 2,108 as of March 31, 2014.
- Depreciation and amortisation expense increased by 9.5% to ₹656 million in fiscal 2014 compared with ₹599 million in fiscal 2013 on account of an increase in our tangible fixed asset (gross block) from ₹6,438 million as at March 31, 2013 to ₹7,199 million as at March 31, 2014.
- Foreign exchange difference (net) increased to ₹459 million in fiscal 2014 compared with ₹398 million in fiscal 2013, principally due to losses on lower-priced hedges that matured during this period.
- Power and fuel costs increased to ₹234 million in fiscal 2014 from ₹212 million in fiscal 2013, a 10.4% increase. While power and fuel use and per unit costs have increased, power and fuel costs as a percentage of total revenue have declined from 3.8% in fiscal 2013 to 3.3% in fiscal 2014 as a result of better utilisation of our physical infrastructure.
- Costs for repairs and maintenance increased by 22.5% to ₹158 million in fiscal 2014 compared to ₹129 million in fiscal 2013 on account of an increase in our tangible fixed asset (gross block) and increased expenditure for the maintenance of our facilities.
- Finance cost decreased by 93.8% to ₹4 million in fiscal 2014 compared to ₹65 million in fiscal 2013 principally on account of repayment of debt.

Restated profit before tax

Our restated profit before tax, defined as total revenue less total expenses (other than tax), increased by 47.3% to ₹1,566 million in fiscal 2014 compared with ₹1,063 million in fiscal 2013, principally for the reasons described above.

Total Tax expenses

Total tax expense grew to ₹218 million in fiscal 2014 from ₹42 million in fiscal 2013, due largely to the increase in our current taxes (₹328 million in fiscal 2014 compared with ₹200 million in fiscal 2013) and a decrease in the offsetting MAT credit entitlement (to ₹96 million in fiscal 2014 compared with ₹141 million in fiscal 2013). We also recorded a reversal in provision for deferred tax of ₹14 million in fiscal 2014 compared with a reversal for deferred tax of ₹17 million in fiscal 2013. Our effective tax rate for fiscal 2014 was 13.9% compared to 4.0% in fiscal 2013. The increase in our tax rate reflects the movement of some of our units to a higher tax bracket as detailed in the section on tax expenses.

Restated profit for the period, net profit margin

Our restated profit for the period increased by 32.0% to ₹1,348 million in fiscal 2014 compared with ₹1,021 million in fiscal 2013. Net profit margin was 19.0% in fiscal 2014.

Fiscal year 2013 compared to fiscal year 2012

Income

Our total revenue for fiscal 2013 increased by 32.5% to ₹5,542 million, compared with ₹4,182 million in fiscal year 2012. Revenue from operations in fiscal 2013 increased by 32.0% to ₹5,500 million compared with ₹4,167 million in fiscal 2012. Our revenue growth was broad based across all of our service platforms, reflecting the sustained momentum in our business, as well as the benefit from depreciation in the Indian Rupee against the U.S. dollar. During this fiscal, we also added a new dedicated centre for Abbott known as the Abbott Nutrition R&D Centre. In fiscal 2013, we derived revenue from 152 clients, and the total revenue from our top 10 clients for the period reached ₹3,843 million, compared with 103 clients and revenue from top 10 clients of ₹3,339 million in fiscal 2012. Based on RBI data, the average Indian Rupee/U.S. dollar exchange rate was ₹54.45/dollar in fiscal 2013 compared with ₹47.95/dollar in fiscal 2012.

Total Expenses (other than tax)

Our total expenses, excluding tax expenses, was ₹4,479 million in fiscal 2013, a 30.0% increase over the fiscal 2012 figure of ₹3,445 million. Our major expense items all increased, largely on account of the growth in our business. However, the rate of increase in our expenses was lower than the growth in our revenue due to our success in managing costs overall, lowering of our finance costs due to repayment of debt and the fact that many of our costs, including materials and employee benefits expense, are Indian Rupee-denominated and hence diverged from U.S. dollar-denominated revenue in a depreciating Indian Rupee environment.

- Material costs was ₹1,452 million in fiscal 2013, a 29.3% increase over the fiscal 2012 figure of ₹1,123 million. This reflects an increase in the use of chemicals, reagents and consumables consumed, and a larger increase in inventories in fiscal 2013 compared with fiscal 2012. Material costs as a percentage of total revenue was 26.9% in fiscal 2012 and declined to 26.2% in fiscal 2013.
- Employee benefits expense totalled ₹1,235 million in fiscal 2013, a 25.5% increase over the fiscal 2012 figure of ₹984 million. This reflects a general increase in salaries paid to our employees and an increase in the number of employees from 1,729 as of March 31, 2012 to 1,867 as of March 31, 2013. Employee benefits expense as a percentage of total revenue was 23.5% in fiscal 2012 and declined to 22.3% in fiscal 2013.
- Depreciation and amortisation expense increased by 9.5% to ₹599 million in fiscal 2013 compared with ₹547 million in fiscal 2012 on account of an increase in our tangible fixed assets (gross block) from ₹5,860 million as at March 31, 2012 to ₹6,438 million as at March 31, 2013.
- Foreign exchange difference (net) increased to ₹398 million in fiscal 2013 compared with ₹108 million in fiscal 2012, principally due to losses on lower-priced hedges which matured during the period.
- Power and fuel costs increased to ₹212 million in fiscal 2013 from ₹196 million in fiscal 2012, an 8.2% increase. While power and fuel use and per unit costs have increased, power and fuel costs as a percentage of total revenue have declined from 4.7% in fiscal 2012 to 3.8% in fiscal 2013 as a result of better utilisation of our physical infrastructure.
- Costs for repairs and maintenance increased by 24.0% to ₹129 million in fiscal 2013 compared to ₹104 million in fiscal 2012 on account of an increase in our tangible fixed asset (gross block) and increased expenditure for the maintenance of our facilities.
- Finance cost expense decreased by 36.3% to ₹65 million in fiscal 2013 compared to ₹102 million in fiscal 2012 principally on account of net repayment of debt.

Restated profit before tax

Our restated profit before tax increased by 44.2% to ₹1,063 million in fiscal 2013 compared with ₹737 million in fiscal 2012 principally for the reasons described above.

Total Tax expenses

Total tax expense grew to ₹42 million in fiscal 2013 from ₹27 million in fiscal 2012, due largely to the increase in our current taxes (₹200 million in fiscal 2013 compared with ₹151 million in fiscal 2012), which was partially offset by an increase in MAT credit entitlement (to ₹141 million in fiscal 2013 compared with ₹105 million in fiscal 2012). We also recorded a reversal in provision for deferred tax of ₹17 million in fiscal 2013 compared with a reversal for deferred tax provision of ₹19 million in fiscal 2012. Our effective tax rate for fiscal 2013 was 4.0% compared to 3.7% in fiscal 2012.

Restated profit for the period, net profit margin

Our restated profit for the period increased by 43.8% to ₹1,021 million in fiscal 2013 compared with ₹710 million in fiscal 2012. Net profit margin in fiscal 2013 was 18.4%.

EBITDA and EBITDA Margin

To provide investors with additional information regarding our financial results, we have presented EBITDA and EBITDA margin, both of which are non-GAAP financial measures. We define EBITDA as earnings before finance cost, tax, depreciation and amortisation calculated as total revenue (revenue from operations and other income) less total expenses (expenses other than depreciation and amortisation, finance cost and tax)). We define our EBITDA Margin as EBITDA divided by total revenue.

We have presented EBITDA in this Draft Red Herring Prospectus because it is a supplementary measure used by our management and Board of Directors to understand and evaluate our core operating performance and trends. In particular, we believe that the exclusion of the expenses eliminated in calculating EBITDA can provide a useful measure for period-to-period comparisons of our core business. We believe that EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board of Directors.

	Nine months period ended December 31, 2014	March 31, 2014	Year ended March 31, 2013	March 31, 2012
		(₹ in millions, except percentages)		
EBITDA	2,071	2,226	1,727	1,386
EBITDA Margin	33.5%	31.5%	31.2%	33.1%

EBITDA and EBITDA Margin are not measurements of financial profitability or liquidity under Indian GAAP and should not be considered as an alternative to performance measures derived in accordance with Indian GAAP.

We make no representations as to the methodology used to define and/or calculate EBITDA and EBITDA Margin or whether it reflects an appropriate measure of our Company's operating performance or ability to service debt.

In addition, EBITDA and EBITDA Margin are not standardised terms, hence a direct comparison between companies using such a term may not be possible. Our use of EBITDA and EBITDA Margin thus has limitations as an analytical tool, and you should not consider them either in isolation or as a substitute for analysis of our financial results as reported under Indian GAAP. Because of these and other limitations, you should consider EBITDA and EBITDA Margin along with other GAAP-based financial performance measures, including various cash flow metrics, profit or loss after tax, and our other Indian GAAP financial results.

The following is a reconciliation of our restated profit under Indian GAAP to our definition of EBITDA and EBITDA Margin:

	Nine months period ended December 31, 2014	March 31, 2014	Year ended March 31, 2013	March 31, 2012
	(₹ in millions)			
Restated profit	1,194	1,348	1,021	710
Adjustments:				
Add: Total tax expense	212	218	42	27
Add: Finance Costs	75	4	65	102
Add: Depreciation & Amortisation	590	656	599	547
Total Adjustments	877	878	706	676
EBITDA	2,071	2,226	1,727	1,386
EBITDA margin (in %) (EBITDA/total revenue)	33.5	31.5	31.2	33.1

Liquidity and Capital Resources

Our primary liquidity and funding needs have been for working capital, capital expenditures and repayment of debt. To fund these requirements in recent periods, we have relied on cash flow from operations as well as fresh equity issuances and bank loans.

We believe that our current cash and cash equivalents, cash flow from operations and amounts available under existing facilities will be sufficient to meet our anticipated working capital and capital expenditure requirements, anticipated debt repayment and interest obligations and other operating needs under our current business plans for the next 12 months. However, we cannot assure you that our anticipated capital requirements will not increase or that the expected cash flow from operations will not decrease from our current expectations over the next 12 months. In such an event, we may also source additional funds from external sources such as bank loans and debt and equity capital markets.

Our anticipated cash flow from operations depends on several factors beyond our control, such as the pricing of our client contracts, the demand and supply for our services, inflation and foreign currency exchange rates. Our ability to obtain adequate financing to satisfy demands on liquidity may be limited by our financial condition and results of operations and liquidity of international and domestic financial markets. In the event that we cannot meet our liquidity and funding requirements with internally generated cash flows, we may seek other external sources of funding. We cannot assure you that we will be able to obtain suitable financing arrangements for our future liquidity and funding needs.

As of December 31, 2014, we had cash and bank balances of ₹1,387 million and ₹258 million of current investments. As of December 31, 2014, our net working capital, defined as the difference between current assets and current liabilities, was ₹764 million.

Total debt

As of December 31, 2014, we had no long-term borrowings and our short-term borrowings were ₹1,830 million. As of December 31, 2014, ₹750 million, or 41.0%, of our outstanding short-term borrowings were secured and ₹1,080 million, or 59.0%, of our outstanding short-term borrowings were unsecured.

See “—Description of material indebtedness” below for more information on the terms of our borrowings and facilities.

Cash flows

The table below summarises our cash flows for fiscal 2012, 2013, 2014 and the nine months period ended December 31, 2014:

	Nine months period ended Dec 31, 2014	Mar 31, 2014	Year ended Mar 31, 2013	Mar 31, 2012
	(₹ in millions)			
Net cash flow from/(used in) operating activities	(1,771)	2,995	1,035	1,232
Net cash flow from/(used in) investing activities	1,993	(3,742)	(1,501)	(226)
Net cash flow from/(used in) financing activities	190	1,554	207	(699)
Net increase/(decrease) in cash and cash equivalents	412	807	(259)	297

Operating activities

Our operating activities have consistently generated cash on a net basis in recent periods, except for the nine months period ended December 31, 2014. For the nine months period ended December 31, 2014, we had negative operating cash flow, i.e., net cash flow used in operating activities, of ₹1,771 million. This was partly due to a reduction in advances from customers by an amount of ₹1,496 million and an increase in unbilled revenues of ₹131 million when compared to balances as at March 31, 2014.

Our net cash flow from operating activities in recent periods largely reflect the growth in our operating profit, as supplemented or offset (depending on the period) by changes in working capital and direct taxes paid (net of refunds). For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, our operating profit before working capital changes were ₹1,286 million, ₹1,593 million, ₹2,052 million and ₹1,944 million, respectively. For fiscal 2012 and 2014, operating profit before working capital changes was supplemented by net decreases in working capital items totalling ₹60 million and ₹1,292 million, respectively. For fiscal 2013 and the nine months period ended December 31, 2014, net increases in working capital items offset operating profit by ₹361 million and ₹3,339 million, respectively, and the latter case caused our cash flow from operating activities to turn negative.

Investing activities

Except for the nine months period ended December 31, 2014, our investing activities in recent periods have on a net basis used cash. Net cash used in investing activity has been driven to a large extent by consistent and growing purchases of tangible assets pursuant to our capital expenditure plans and purchases of current investments, such as mutual fund interests and short-term liquid debt instruments, as part of our management of our current assets. For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, our payments for the purchases of tangible assets including capital work in progress, capital advances and net of reimbursement from customers totalled ₹263 million, ₹606 million, ₹998 million and ₹1,290 million, respectively. For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, our payments for purchases of current investments in those periods totalled ₹2,728 million, ₹3,392 million, ₹6,031 million and ₹1,723 million, respectively and our proceeds from the sale of current investments totalled ₹2,754 million, ₹2,701 million, ₹3,202 million and ₹4,986 million, respectively. In addition, in fiscal 2013 and 2014 we extended loans to our subsidiary Clinigene of ₹235 million and ₹199 million, respectively. Intercompany items such as these have been eliminated as a result of our amalgamation with Clinigene effective April 1, 2014.

Financing activities

Except for fiscal 2012, our financing activities in recent periods have brought cash into our Company. Net cash flow from financing activities in recent periods largely reflects proceeds from equity issuances and long- and short-term borrowings, as offset by debt repayment, debt service and dividends paid. In fiscal 2012 and 2013 and the nine months period ended December 31, 2014, we received proceeds from issuance of share capital, net of share issue expenses and recoverable from trust of ₹50 million, ₹1,197 million and ₹1,334 million, respectively. In fiscal 2012, we generated cash of ₹42 million from long-term borrowings, and in fiscal 2012 and 2014 we repaid ₹144 million and ₹45 million of long-term borrowings, respectively. Our net proceeds from short-term borrowings (or net repayments, when the figure is indicated in brackets) in fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014 were ₹(549) million, ₹(926) million, ₹1,601 million and ₹220 million, respectively. The interest paid in fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014 was ₹98 million, ₹64 million, ₹2 million and ₹73 million, respectively. In addition, in the nine months period ended December 31, 2014, we paid dividends on our equity shares of face value ₹5 totalling ₹1,138 million and tax in respect of these dividends of ₹193 million.

Capital and other commitments

As of December 31, 2014, our estimated contracts remaining to be executed on our capital account and not provided for (net of advances) were for ₹1,149 million.

We have also entered into lease agreements for the use of land and buildings which expire over a period of time up to the year 2022 and have taken vehicles for certain employees under operating leases, which expire over a period ranging up to May 2018. Future minimum rentals payable as of December 31, 2014 are as provided in the table below:

	Payment due by period			
	Total	Less than 1 year	1 – 5 years	More than 5 years
		(₹ in millions)		
Minimum lease payments.....	355	43	188	124

Description of material indebtedness

As of December 31, 2014, we had short-term borrowings totalling ₹1,830 million, all of which were floating rate U.S. dollar-denominated obligations benchmarked to LIBOR. Many of the financing arrangements are secured by a charge on current assets and movable fixed assets including plant and machinery and other assets. Our sundry debtors and inventories are subject to charges created in favour of specific secured lenders. For a description of the principal terms and financial covenants of our material indebtedness, see “Financial Indebtedness” on page 176 and “Financial Statements” on page 175.

Contingent liabilities and off-balance sheet arrangements

As of December 31, 2014, we did not have any material contingent liabilities other than those disclosed under note 11 of Annexure IV to our Restated Financial Statements included in this Draft Red Herring Prospectus, in accordance with the provisions of Accounting Standard 29 — “Provisions, Contingent Liabilities and Contingent Assets.”

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that have been established for the purposes of facilitating off-balance sheet arrangements.

Capital expenditures

The following table sets out our additions to tangible fixed assets for fiscal 2012, 2013, 2014 and the nine months period ended December 31, 2014. Additions to tangible fixed assets include certain assets which have been funded by our clients with whom we have long-term collaborations. Assets funded by our clients are capitalised at gross value and the funds received are recorded as deferred revenues and amortised over the useful life of the assets/ period of the contract.

	Nine months period ended Dec 31, 2014*	Mar 31, 2014	Year ended Mar 31, 2013	Mar 31, 2012
		(₹ in millions)		
Plant and equipment.....	1,338	739	509	479
Building.....	355	54	65	15
Other tangible fixed assets**.....	118	22	17	7
Total	1,811	815	591	501

* Additions to tangible fixed assets for the nine months period ended December 31, 2014 includes ₹543 million being the cost of tangible fixed assets as at April 1, 2014 pursuant to the merger of Clinigene. For details of the merger, please see “— Clinigene amalgamation” on page 193.

** Consisting of land, office equipment, furniture & fixtures and vehicles.

Our historical capital expenditure has been primarily towards capacity expansions, capability additions, technological up-gradations and replacement of our equipment. The key facility additions during the above three fiscal years ended March 31, 2014 include our dedicated infrastructure and assets for our clients Abbott and Baxter.

We intend to further invest up to US\$200 million in our facilities over the next three fiscal years principally towards capacity augmentation in our laboratory services (discovery chemistry and discovery biology), developmental services (formulation and biologics or large molecules development) and cGMP drug substance manufacturing. We also intend to invest in oligonucleotides, viral testing services and ADCs and are in the process of setting up a new commercial scale manufacturing centre in Mangaluru. All these investments will be made in a manner consistent with internal policies and staggered in line with business visibility.

The foregoing figures in our budgeted capital expenditure plans are based on current management estimates and have not been appraised by an independent organisation. In addition, our capital expenditure plans are subject to a number of variables, including changes in management’s views of the continued desirability of current plans, possible cost overruns, construction/development delays, delay or non-receipt of critical governmental approvals including approvals from drug regulators in our target markets, and availability of financing on acceptable terms

among others. We expect to fund these capital expenditures through internal accruals and debt. We cannot assure you that we will be able to execute our capital expenditure plans as contemplated.

Quantitative and Qualitative Disclosure about Market Risk

The following discussion summarises our exposure to certain market risks and the steps we have taken to address these risks. It is difficult to accurately predict changes in economic or market conditions and anticipate the effects of such changes.

Market price risk

A portion of our current assets has in recent periods been invested in mutual fund units, which subjects us to market price risk based principally on the net asset value of these funds' portfolio investments and interest rate movement. As of March 31, 2014 and December 31, 2014, our investments units of mutual funds totalled ₹3,520 million and ₹258 million, respectively. The assets of the funds we invest in are principally comprised of Indian debt instruments. Debt instruments are subject to risks, including fluctuation in market prices and creditworthiness of counterparties.

Foreign exchange rate risk

We face foreign exchange rate risk to the extent that our income, expenses, assets or liabilities are denominated in a currency other than the Indian Rupee. Almost all of our revenue from operations, a large portion of our capital expenditures, a large portion of equipment purchases, a portion of our material costs and much of our debt are denominated in U.S. dollars. In addition, some of our export sales are also denominated in other foreign currencies, principally the Euro. As of December 31, 2014, our short-term borrowings were ₹1,830 million (US\$28.9 million) which were all denominated in U.S. dollars. As of December 31, 2014, our U.S. dollar denominated bank balances in current accounts were ₹1,299 million (US\$20.5 million).

Because of our U.S. dollar exposures, exchange rate fluctuations between the Indian Rupee and foreign currencies, especially the U.S. dollar, can have a material impact on our results of operations, cash flows and financial condition. The exchange rate between the Indian Rupee and U.S. dollar has been volatile in recent periods. Based on RBI data, the average Indian Rupee/U.S. dollar exchange rate for fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014 was ₹47.95/dollar, ₹54.45/dollar, ₹60.50/dollar and ₹60.77/dollar, respectively.

We typically hedge 50% to 100% of expected net foreign exchange exposure for a period of up to two years, which is increased upwards or downwards, as appropriate, on a quarterly rolling basis. However for our long-term fixed-price client contracts, we seek to hedge up to 100% of net foreign exchange exposure over the contract term. These hedges are through a combination of various derivative instruments like plain puts and range forwards.

Most of our current outstanding exposure is hedged via puts which provide a base floor protection with upward participation in the event of Indian Rupee depreciation beyond the specified floor. In order to access these derivative instruments, we pay a hedging cost to the banks. These expenses appear under the "Other Expenses" line item in our income statement. While these hedges provide us protection from currency fluctuation, these are subject to their own risks, including counterparty credit risk.

For fiscal 2012, 2013 and 2014 and the nine months period ended December 31, 2014, we recorded losses from net foreign exchange difference of ₹108 million, ₹398 million, ₹459 million and ₹67 million, respectively. A significant portion of these net foreign exchange losses incurred in fiscal 2012, 2013 and 2014 was principally on account of certain lower priced forward contracts taken in fiscal 2009 to cover for expected cash flows from a long-term engagement. For the nine months period ended December 31, 2014, the net foreign exchange difference refers primarily to hedging expenses relating to derivative instruments settled during the period. Our hedging policy has migrated from instruments like forward contracts to plain puts and range forwards, mainly to reduce volatility.

Commodity price risk

We face commodity price risk through our material purchases. These include items booked as expenses under "Cost of chemicals, reagents and consumables consumed" and the "Power and fuel" lines under "Other

expenses". Whether they are sourced domestically or overseas, the prices of many of our raw materials are based on global prices and can fluctuate dramatically. We do not currently engage in any hedging activities against commodity price risk.

Interest rate risk

We are subject to interest rate risk through our borrowings. Upward fluctuations in interest rates increase the interest cost of new borrowings and outstanding floating rate borrowings and downward fluctuations will decrease the interest earned by our bank deposits. As of December 31, 2014, our short-term borrowings totalled ₹1,830 million, all of which were U.S. dollar-denominated variable rate instruments benchmarked to LIBOR. As of December 31, 2014, our U.S. dollar denominated bank balances in current accounts were ₹1,299 million. We monitor interest rates to assess the potential impact of changes in these rates on our financial position. We do not currently engage in any hedging activities against interest rate risk.

Counterparty and Concentration of Credit Risk

We are exposed to the credit risk of our clients. We seek to minimise credit risk by limiting business dealings to business partners of high creditworthiness. We also monitor our receivables on a monthly basis. As of March 31, 2014 and December 31, 2014 we had trade receivables of ₹943 million and ₹1,377 million, respectively. We make doubtful debt provisions for trade receivables that are due for more than one year in accordance with our policies.

We believe that currently there is no significant risk of loss associated with counterparty credit default, other than amounts for which we already have provided for. For fiscal 2012, 2013, 2014 and the nine months period ended December 31, 2014, we made total provisions for doubtful receivables of nil, nil, ₹10 million and ₹2 million, respectively.

Our cash and cash equivalents are placed with banks that management believes to be of high quality. We enter into derivative contracts with Indian and foreign financial institutions to hedge foreign currency exposures. We enter into these contracts with financial institutions that we believe to be of high quality. We have certain foreign exchange hedging contracts with an Indian subsidiary of Royal Bank of Scotland NV ("RBS"). In February 2015, RBS announced its intentions to shut down banking operations in India and according to news reports in the media, its operations in India will be slowly wound down or put up for sale in the coming months. We are not in a position to predict the impact, if any, of this announcement by RBS on our hedging contracts with them. To date, we have not suffered any losses on account of counterparty default on our derivative contracts.

Transactions with Related Parties

From time to time, we enter into transactions with companies which are controlled by members of our Promoter Group and other related parties in the ordinary course of our business. For the fiscal year 2014 and the nine months period ended December 31, 2014, 1.0% and 2.2%, respectively, of our revenue from operations was earned from related parties as defined under Accounting Standard — 18. For further details on our related party transactions, see the section "Related Party Transactions" on page 173.

Inflation and Seasonality

According to data from the RBI, the average annual rate of inflation as measured by changes in the wholesale price index was 8.9% in fiscal 2012, 7.4% in fiscal 2013 and 5.9% in fiscal 2014. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. While inflation can increase our Rupee-denominated costs, high inflation rates in India have often been accompanied by a depreciation of the Rupee against the U.S. dollar. The currency depreciation of the Indian Rupee compared to the U.S. dollar will increase the Rupee value of our U.S. dollar-denominated revenues and have an offsetting impact on our costs.

Our business does not have any significant seasonal impact. However, a substantial number of our client contracts are renewed at the beginning of the calendar year which may result in volatility in our fourth quarter results.

Recent Developments

On March 11, 2015, our Board authorised a bonus issue of 171,931,136 Equity Shares and the allotment of bonus Equity Shares was completed on March 27, 2015. On March 16, 2015, our shareholders approved the consolidation of 56,137,728 equity shares of face value ₹5 each into 28,068,864 Equity Shares. The consolidation was effected on March 26, 2015.

Additional Information

Material increases in net revenues and sales

As described in detail under “—Results of Operations —Fiscal year 2014 compared to fiscal year 2013” and “—Fiscal year 2013 compared to fiscal year 2012” on pages 200 and 202, respectively, material increases in net revenues and sales are primarily due to increased sales volume.

Total turnover of each major industry segment in which the company operated

We operate in one industry segment only, which is the CRO industry.

Unusual or infrequent events or transactions

Other than the amalgamation of our subsidiary Clinigene, as of April 1, 2014, with us pursuant to a court-approved scheme, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Known trends or uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in “— Key Factors Affecting Our Results of Operations” and the uncertainties described in the section “Risk Factors” on page 16. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income or revenue from operations.

Future relationships between costs and income

Other than as described in the sections “Risk Factors”, “Our Business” on pages 16 and 115, respectively, and this section, to our knowledge there are no known factors that might affect the future relationship between cost and revenue.

New product or business segments

Other than as described in the section “Our Business — Strategies” on page 118, we have not announced and do not expect to announce in the near future any new products or business segments.

Competitive conditions

The R&D outsourcing industry is competitive and CROs compete on the basis of a number of factors, including reliability, past performance, expertise and experience in specific therapeutic areas, scope of service offerings, infrastructure, track record of intellectual property protection, strengths in various geographic markets, technological capabilities, and price. For further details, please see the sections “Risk Factors” and “Our Business” on pages 16 and 115, respectively.

Significant dependence on suppliers or customers

Other than as described in the section “Risk Factors – Internal Risks – *We rely on third parties for important services and any delay and/or failure in the performance of these services may adversely affect our business and results of operations and We depend on a limited number of clients, and a loss of or significant decrease in business from them could affect our business and have a material adverse impact on our profitability,*” on page 24 and 17, respectively, we do not have any material dependence on suppliers or customers.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section “Risk Factors” on page 16 and as otherwise disclosed in this Draft Red Herring Prospectus, we are not aware of any significant economic changes that materially affected or are likely to affect income from continuing operations.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there is no (i) litigation against our Company, the Directors or any other person whose outcome could have a material adverse effect on the position of our Company; (ii) litigation against the Directors involving violation of statutory regulations or alleging criminal offence; (iii) criminal/civil prosecution against the Directors in respect of tax liabilities; (iv) pending proceeding initiated for economic offences against our Company and the Directors; (v) adverse finding in respect of our Company as regards compliance with the securities laws; (vi) past case in which penalty was imposed by the relevant authorities on our Company and the Directors; (vii) outstanding litigation or default relating to matters likely to affect the operations and finances of our Company, including disputed tax liabilities and prosecution under any enactment in respect of Schedule V to the Companies Act, 2013; (viii) outstanding litigation, default, non-payment of statutory dues, proceeding initiated for economic offences or civil offences (including any past case, if found guilty), any disciplinary action taken by the SEBI or any recognised stock exchange against our Company and the Directors; and (ix) small scale undertaking or any other creditor to whom our Company owes a sum exceeding ₹100,000 which is outstanding for more than 30 days. Further, except as stated below, (a) there are no inquiries, inspections or investigations, initiated or conducted against our Company or the Subsidiaries, under the Companies Act, 2013 or the Companies Act, 1956, in the last five years; (b) no prosecutions have been filed (whether pending or not), fines imposed or compounding of offences for our Company, in the last five years immediately preceding the year of this Draft Red Herring Prospectus; and (c) no material frauds have been committed against our Company in the last five years.

A. Litigation involving our Company

I. Litigation against our Company

Direct Tax Matters

- (i) Our Company had received a notice dated March 28, 2008 from the Assistant Commissioner of Income Tax (“ACIT”), wherein the ACIT proposed to reassess our income for the assessment year 2003 – 2004. We replied to the notice on April 17, 2008, stating that (i) since the notice was received by us after a period of four years, the reassessment could be initiated only if it could be held that there was a failure to disclose fully and truly all material facts necessary for the assessment; and (ii) we had extended complete cooperation in the course of scrutiny proceedings earlier; hence it could be concluded that there was no failure by us to fully and truly disclose all material facts in respect of the subject assessment year. The ACIT had by its order dated August 31, 2009 disallowed the amount of (i) ₹65.1 million under section 10B of the IT Act; and (ii) ₹2.0 million shown as ‘provision for payment of gratuity’ and accordingly raised a demand of ₹43.5 million. Aggrieved by the order, we filed an appeal before the Commissioner of Income Tax (Appeals) (“CITA”). The CITA through an order dated February 21, 2014 passed an order in our favour. Aggrieved by the order of the CITA, the ACIT has filed an appeal before the Income Tax Appellate Tribunal (“ITAT”). The matter is currently pending.
- (ii) Our Company had received a notice dated March 3, 2010 from the Deputy Commissioner of Income Tax (“DCIT”), wherein the DCIT proposed to reassess our income for the assessment year 2004 – 2005 on the grounds that an amount of ₹151.3 million had escaped assessment due to our Company claiming a deduction under section 10B of the IT Act. The DCIT further stated that section 10B of the IT Act allowed the deduction only for manufacturing activities and since we were deriving our income from ‘contract research fees’ and ‘sale of compounds’, there was no ‘manufacturing activity’, and we could not claim the deduction. We replied to the notice on December 16, 2010, stating that the reassessment proceedings are time barred and void *ab initio* under section 153 of the IT Act. The DCIT through an order dated December 23, 2010 denied the deduction claimed under section 10B of the IT Act and raised a demand of ₹98.1 million. Aggrieved by the order of the DCIT, we filed an appeal before the CITA, wherein we, amongst other grounds, contended that if we were not allowed to claim deduction under section 10B of the IT Act, we should be allowed to claim such deduction under section 80IB(8A) of the IT Act. The CITA through an order dated February 21, 2014 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.
- (iii) Our Company had received a notice from the ACIT, wherein the ACIT proposed to scrutinise our income for the assessment year 2005 – 2006. The ACIT through an order dated December 28, 2007

disallowed a deduction of ₹213.2 million under section 10B of the IT Act and raised a demand of ₹105.2 million. Aggrieved by the order we filed an appeal before the CITA. The CITA through its order dated June 22, 2012 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.

- (iv) Our Company had received a notice dated September 24, 2007 from the ACIT, wherein the ACIT proposed to scrutinise our income for the assessment year 2006 – 2007. The ACIT through an order dated September 29, 2008 disallowed a deduction of ₹374.4 million under section 10B of the IT Act and raised a demand of ₹164.0 million. Aggrieved by the order we filed an appeal before the CITA. The CITA through its order dated June 22, 2012 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.
- (v) Our Company had received a notice dated September 9, 2008 from the ACIT, wherein the ACIT proposed to reassess our income for the assessment year 2007 – 2008 on the grounds that an amount of ₹437.6 million had escaped assessment due to our Company claiming a deduction under section 10B of the IT Act. The ACIT further stated that section 10B of the IT Act allowed the deduction only for manufacturing activities and since we were deriving our income from ‘contract research fees’ and ‘sale of compounds’, there was no ‘manufacturing activity, and we could not claim the deduction. We replied to the notice stating that the activity undertaken by our Company amounted to ‘manufacture’ and if we were not able to claim a deduction under section 10B of the IT Act, we were eligible for a claim under section 80IB(8A) of the IT Act. The ACIT through an order dated December 23, 2009 denied the deduction claimed under section 10B of the IT Act and raised a demand of ₹195.9 million. Aggrieved by the order we filed an appeal before the CITA. The CITA through an order dated February 21, 2014 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.
- (vi) Our Company had received a notice dated November 23, 2010 from the ACIT, wherein the ACIT proposed to reassess our income for the assessment year 2008 – 2009 on the grounds that an amount of ₹185.68 million had escaped assessment due to our Company claiming a deduction under section 10B of the IT Act. The ACIT further stated that section 10B of the IT Act allowed the deduction only for manufacturing activities and since we were deriving our income from ‘contract research fees’ and ‘sale of compounds’, there was no ‘manufacturing activity, and we could not claim the deduction. We replied to the notice on December 10, 2010, stating that the activity undertaken by our Company amounted to ‘manufacture’ and if we were not able to claim a deduction under section 10B of the IT Act, it was eligible for claim under section 80IB(8A) of the IT Act. The ACIT through an order dated December 13, 2010 denied the deduction claimed under section 10B of the IT Act and raised a demand of ₹47.0 million. Aggrieved by the order we filed an appeal before the CITA. The CITA by an order dated February 21, 2014 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.
- (vii) Our Company had received a notice dated October 19, 2011 from the DCIT, wherein the DCIT proposed to reassess our income for the assessment year 2009 – 2010. The DCIT through an order dated December 30, 2011 disallowed (i) unrealised losses in respect of foreign exchange forward contracts amounting to ₹167.3 million on the ground that such losses were notional; (ii) crystallised losses on account of settlement of foreign exchange forward contracts amounting to ₹384.49 million on the ground that such losses arose from a speculative transaction; and (iii) a deduction under section 10B of the IT Act; and raised a demand of ₹64.6 million. Aggrieved by the order we filed an appeal before the CITA. The CITA by an order dated February 21, 2014 passed an order in our favour. Aggrieved by the order of the CITA, the DCIT has filed an appeal before the ITAT. The matter is currently pending.
- (viii) Our Company had received a notice dated August 27, 2011 from the DCIT, wherein the DCIT proposed to scrutinise our income for the assessment year 2010 – 2011. The DCIT through an order dated March 25, 2013 disallowed (i) a deduction of ₹60.3 under section 10B of the IT Act; (ii) a deduction of ₹220.7 million under section 10AA of the IT Act; (iii) a claim for additional depreciation of ₹238.1 million; (iv) a proportionate disallowance of ₹1.3 million under section 14A of the IT Act; and (v) an alternate claim under section 80IB(8A) of the IT Act and raised a demand of ₹124.3 million. Aggrieved by the order we filed an appeal before the CITA. The matter is currently pending.

- (ix) Our Company has received an assessment order dated March 27, 2014, wherein the DCIT disallowed (i) a deduction of ₹89.4 million under section 10B of the IT Act; (ii) a deduction of ₹422.1 million under section 10AA of the IT Act; (iii) additional depreciation of ₹38.6 million; and (iv) a deduction of ₹9.0 million under section 14A of the IT Act and raised a demand of ₹203.9 million for the assessment year 2011 - 2012. Aggrieved by the order our Company filed an appeal before the CITA. The matter is currently pending.
- (x) Our Company has received an assessment order dated March 23, 2015, wherein the DCIT disallowed a deduction under section 14A of the IT Act for the assessment year 2012 - 2013. Our Company is in the process of filing an appeal with the CITA.

Indirect Tax Matters

- (i) Our Company received a show cause notice dated February 28, 2008 from the Deputy Commissioner, Service Tax, Bangalore (“DCST”), wherein our claim dated January 16, 2008, of ₹2.4 million, for rebate of CENVAT credit of service tax paid by us for the services exported, for the period from April 2007 to September 2007, was rejected on the grounds of (i) not utilising / claiming the benefit of CENVAT rebate for the months of April, June, July, August and September 2007; (ii) non-submission of documentary evidence for receipt of payment against taxable services; and (iii) non-submission of various documents by our Company. We replied to the show cause notice on April 2, 2008 and May 7, 2008. The DCST through an order dated May 30, 2008 rejected our claim. Aggrieved by the order, we filed an appeal before the Commissioner of Central Excise (Appeals) (“CCEA”) on September 1, 2008. The CCEA through an order dated September 11, 2009 upheld the order of the DCST. Aggrieved by this order, our Company filed an appeal before the CESTAT. The matter is currently pending.
- (ii) Our Company received a show cause notice dated July 10, 2008 from the DCST wherein our claim dated May 16, 2008, of ₹5.3 million, for rebate of CENVAT credit of service tax paid by us for the services exported for the month of October 2007 was rejected on the grounds of (i) non-submission of documentary evidence for receipt of payment against taxable services; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on July 18, 2008. The DCST through an order dated August 6, 2008 rejected our claim. Aggrieved by the order, we filed an appeal before the CCEA on November 20, 2008. The CCEA through an order dated September 14, 2009 upheld the order of the DCST. Aggrieved by this order, our Company filed an appeal before the CESTAT. The matter is currently pending.
- (iii) Our Company received a show cause notice dated January 20, 2009 from the DCST wherein our claim dated December 22, 2008, of ₹5.4 million, for rebate of CENVAT credit of service tax paid by us for the services exported for the period from April 2008 to September 2008 was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on February 23, 2009. The Assistant Commissioner, Service Tax, Bangalore (“ACST”) through an order dated March 25, 2009 rejected our claim. Aggrieved by the order, we filed an appeal before the CCEA on June 23, 2009. The CCEA through an order dated October 20, 2010 upheld the order of the ACST. Aggrieved by this order, our Company filed an appeal before the CESTAT. The matter is currently pending.
- (iv) Our Company received a show cause notice dated October 14, 2009 from the ACST wherein our claim dated August 25, 2009, of ₹5.4 million, for refund of service tax paid by us for the services exported for the period from October 2008 to March 2009 was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; (ii) non-submission of documentary evidence for receipt of payment against taxable services; and (iii) non-submission of various documents by our Company. We replied to the show cause notice on November 18, 2009. The ACST through an order dated January 9, 2010 rejected our Company’s claim. Aggrieved by the order, we filed an appeal before the CCEA on April 26, 2010. The CCEA through an order dated October 20, 2010 upheld the order of the ACST. Aggrieved by this order, our Company filed an appeal before the CESTAT. The matter is currently pending.
- (v) Our Company received a show cause notice dated September 29, 2010 from the ACST wherein our claim dated August 9, 2010, of ₹6.4 million, for rebate of service tax paid by us for the services exported for the months of November 2009, December 2009 and January 2010 was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on October 30, 2010. The

ACST through an order dated October 24, 2011 rejected our Company's claim. Aggrieved by the order, we filed an appeal before the CCEA. The matter is currently pending.

- (vi) Our Company received a show cause notice dated April 8, 2011 from the ACST wherein our claim dated January 17, 2011, of ₹5.3 million, for rebate of service tax paid by us for the services exported for the months of May, June, July and September 2010 was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on May 5, 2011. The ACST through an order dated November 24, 2011 rejected our Company's claim. Aggrieved by the order, we filed an appeal before the CCEA. The matter is currently pending.
- (vii) Our Company received a show cause notice dated August 1, 2011 from the ACST wherein our claim dated May 19, 2011, of ₹6.0 million, for rebate of service tax paid by us for the services exported for the period from October 2010 to March 2011 was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on August 11, 2011. The ACST through an order dated November 30, 2011 rejected our Company's claim. Aggrieved by the order, we filed an appeal before the CCEA. The matter is currently pending.
- (viii) Our Company received a show cause notice dated January 18, 2012 from the ACST wherein our claim dated December 28, 2011, of ₹7.4 million, for rebate of service tax paid by us for the services exported, for the period from April 2011 to September 2011, was rejected on the grounds of (i) discrepancies in various documents submitted by our Company; and (ii) non-submission of various documents by our Company. We replied to the show cause notice on February 15, 2012. The ACST through an order dated December 7, 2012 rejected our Company's claim. Aggrieved by the order, we filed an appeal before the CCEA. The matter is currently pending.
- (ix) Our Company received a revised notice dated November 3, 2014 from the Deputy Commissioner of Commercial Taxes ("DCCT") under the Karnataka Value Added Tax Act, 2003, wherein it was alleged that we failed to deduct taxes on food and drinks supplied by Biocon. The DCCT raised a total demand of ₹1.8 million (including penalty and interest). Our Company replied to the notice on November 28, 2014. The DCCT through an order dated December 10, 2014 reduced the total demand to ₹0.9 million. Aggrieved by this order, we filed an appeal and an application before the Joint Commissioner of Commercial Taxes (Appeals) ("JCCT"). Our Company had also deposited 30% of the disputed amount with the Assistant Commissioner of Commercial Taxes. The JCCT through an order dated January 22, 2015 stayed the recovery of the balance amount of ₹0.6 million. The matter is currently pending.

II. Threatened Litigation against our Company

- (i) Our Company received a show cause notice dated July 31, 2014 from the Commissioner of Service Tax, Traffic and Transit Management Centre, Bangalore ("CST") wherein it was alleged that we failed to pay the service tax to the tune of ₹51.3 million for the period 2009 – 2013 for the services rendered by our Company to certain group companies such as Biocon, BRL, Biocon Biopharma Limited and Clinigene. We replied to the show cause notice through a letter dated November 25, 2014, wherein we stated that (i) service tax was discharged wherever applicable, and only where specific SEZ exemption was available or on services which were exported to group companies abroad, service tax was not discharged; (ii) for the period between March 2011 to March 2013, service tax was discharged on the services rendered to the SEZ unit of Biocon; (iii) service tax was discharged promptly on the units of the group companies in the domestic tariff area; and (iv) service tax exemption was granted for services rendered to a special economic zone under various notifications. We are yet to receive a response from the CST.

III. Litigation by our Company

NIL

IV. Threatened Litigation by our Company

NIL

V. Details of past penalties

NIL

B. Litigation involving erstwhile CIL

I. Litigation against erstwhile CIL

- (i) CIL received a show cause notice dated October 3, 2007 from the Commissioner of Service Tax, Bangalore (“CST”), wherein it required CIL to show cause as to why (i) the clinical services rendered by CIL should not be classified as ‘Technical Testing and Analysis’ services with retrospective effect; (ii) an amount of ₹8.7 million being the service tax (inclusive of education cess) payable on the ‘Technical Testing and Analysis’ services should not be demanded from CIL; (ii) an amount of ₹2.8 million already paid by CIL should not be appropriated towards the demand; (iii) an interest at the appropriate rate on the above demand should not be paid by CIL; and (iv) penalty should not be imposed. CIL replied to the show cause notice through its letter dated November 5, 2007 stating that the (i) classification adopted by CIL was correct; (ii) the term ‘Technical Testing and Analysis’ services was added pursuant to an amendment to the existing law and was clarificatory in nature and prospective in nature; (iii) all services are exported and hence no service tax liability arose on such services. The CST subsequently passed an order dated February 25, 2009 against CIL. Aggrieved by the order CIL had filed an appeal before the CESTAT. The matter is currently pending.

II. Threatended Litigation against erstwhile CIL

- (i) CIL had received a show cause notice dated April 8, 2011 from the ACST, wherein it had been alleged that for the period between March 2007 and May 2007, CIL had been utilising 100% CENVAT credit instead of a limit of 20% of the amount of service tax payable on the taxable output service and that CIL was liable to pay service tax of ₹0.5 million alongwith interest of ₹48,931. CIL had replied to the show cause notice through its letter dated May 11, 2011 wherein it had stated that it had utilised the CENVAT credit in terms of the Cenvat Credit Rules, 2004 at all times and CENVAT credit availed subsequent to March 1, 2007 was not subject to any restriction and was available for complete utilisation.

III. Litigation by erstwhile CIL

NIL

IV. Threatended litigation by erstwhile CIL

NIL

V. Details of past penalties

- (i) CIL had received a notice and a letter both dated July 14, 2014 from the deputy director, Employees State Insurance Corporation wherein it was alleged that CIL had failed to pay the contributions within the stipulated time frame as prescribed under the Employees State Insurance (General) Regulations, 1950 and sought to recover damages and interest on the delayed payment of contributions. CIL had pursuant to a letter dated July 23, 2014 paid an amount of ₹16,189 as damages and ₹14,305 as interest on delayed payment of contribution under the ESI Act.

C. Litigation involving our Promoter

I. Litigation against the Promoter

Direct Tax Matters

- (i) Biocon received an assessment order dated December 19, 2008 from the DCIT wherein the DCIT disallowed (i) expenses to the extent of ₹33.9 million as expenditure incurred under employee stock option expenses; and (ii) ₹1.3 million as expenses incurred under section 35(2AB) of the IT Act for the assessment year 2003 – 2004. Aggrieved by this order, Biocon filed an appeal before the CITA. The CITA through an order dated November 13, 2009 dismissed the appeal. Aggrieved by this order, Biocon filed an appeal before the ITAT. The ITAT (Special Bench) through an order dated July 16, 2013 upheld the appeal in relation to expenses incurred under the employee stock option expenses. The ITAT through an order dated April 30, 2014 rejected our appeal in relation to expenses incurred under

section 35(2AB) of the IT Act. Aggrieved by the ITAT order dated July 16, 2013 and April 30, 2014, the Commissioner and DCIT and Biocon respectively filed an appeal before the Karnataka High Court. The original demand in respect of this matter is ₹2.7 million. The matter is currently pending.

- (ii) Biocon received an assessment order dated December 19, 2006 from the DCIT wherein the DCIT disallowed (i) ₹19.9 million as expenditure incurred under employee stock option expenses; (ii) ₹23.3 million as expenses incurred under section 35(2AB) of the IT Act for the assessment year 2004 – 2005. Aggrieved by this order, Biocon filed an appeal before the CITA. The CITA through an order dated November 13, 2009 dismissed the appeal. Aggrieved by this order, Biocon filed an appeal before the ITAT. The ITAT (Special Bench) through an order dated July 16, 2013 upheld the appeal in relation to expenses incurred under the employee stock option expenses. The ITAT through an order dated April 30, 2014 rejected our appeal in relation to expenses incurred under section 35(2AB) of the IT Act. Aggrieved by the ITAT order dated July 16, 2013 and April 30, 2014, the Commissioner and DCIT and Biocon respectively filed an appeal before the Karnataka High Court. The original demand in respect of this matter is ₹30.5 million. The matter is currently pending.
- (iii) Biocon received an assessment order dated December 28, 2007 from the DCIT wherein the DCIT, amongst others, disallowed (i) ₹23.4 million as expenditure incurred under employee stock option expenses; (ii) ₹24.5 million as expenses incurred under section 35(2AB) of the IT Act for the assessment year 2005 – 2006. Aggrieved by this order, Biocon filed an appeal before the CITA. The CITA through an order dated November 13, 2009 dismissed the appeal. Aggrieved by this order, Biocon filed an appeal before the ITAT. The ITAT (Special Bench) through an order dated July 16, 2013 upheld the appeal in relation to expenses incurred under the employee stock option expenses. The ITAT through an order dated April 30, 2014 rejected our appeal in relation to expenses incurred under section 35(2AB) of the IT Act. Aggrieved by the ITAT order dated July 16, 2013 and April 30, 2014, the Commissioner and DCIT and Biocon respectively filed an appeal before the Karnataka High Court. The original demand in respect of this matter is ₹18.9 million. The matter is currently pending.
- (iv) Biocon received an assessment order dated December 23, 2008 from the DCIT wherein the DCIT disallowed (i) ₹9.5 million as expenditure incurred under employee stock option expenses; (ii) ₹27.9 million as expenses incurred under section 35(2AB) of the IT Act for the assessment year 2006 – 2007. Aggrieved by this order, Biocon filed an appeal before the CITA. The CITA through an order dated November 13, 2009 dismissed the appeal. Aggrieved by this order, Biocon filed an appeal before the ITAT. The ITAT (Special Bench) through an order dated July 16, 2013 upheld the appeal in relation to expenses incurred under the employee stock option expenses. The ITAT through an order dated April 30, 2014 rejected our appeal in relation to expenses incurred under section 35(2AB) of the IT Act. Aggrieved by the ITAT order dated July 16, 2013 and April 30, 2014, the Commissioner and DCIT and Biocon respectively filed an appeal before the Karnataka High Court. The original demand in respect of this matter is ₹15.1 million. The matter is currently pending.
- (v) Biocon received an assessment order dated December 22, 2009 from the DCIT wherein the DCIT disallowed expenses (i) to the extent of ₹56.4 million as expenditure incurred under employee stock option expenses; and (ii) ₹1,059.2 million as carry forward losses and raised a demand of ₹24.6 million for the assessment year 2007 - 2008. Aggrieved by this order, Biocon filed an appeal before the CITA. The CITA through an order dated November 13, 2009 dismissed the appeal. The ITAT (Special Bench) through an order dated July 16, 2013 upheld the appeal in relation to expenses incurred under the employee stock option expenses. The ITAT through an order dated April 30, 2014 upheld our appeal in relation to expenses carry forward losses. Aggrieved by the ITAT order dated July 16, 2013 and April 30, 2014, the Commissioner and DCIT filed an appeal before the Karnataka High Court. The original demand in respect of this matter is ₹24.6 million. The matter is currently pending.
- (vi) Biocon received an assessment order dated December 31, 2010 from the DCIT wherein an amount of ₹39.5 million for the assessment year 2008 – 2009 was disallowed. The DCIT raised a demand of ₹0.8 million. Biocon filed an appeal before the CITA. The matter is currently pending.
- (vii) Biocon received a draft assessment order dated March 30, 2013 from the DCIT wherein the DCIT amongst others disallowed (i) ₹229.5 million as marked to market unrealised foreign exchange losses; and (ii) ₹203.2 million as transfer pricing adjustment for the assessment year 2009 – 2010. Biocon had filed its objections in relation to the draft assessment order with the Dispute Resolution Panel (“DRP”). The DRP through its directions dated December 12, 2013 provided partial relief to Biocon in relation to the matter and the DCIT passed a final order on the basis of the directions of the DRP. Aggrieved by

the order Biocon has filed an appeal before the ITAT. The matter is currently pending.

- (viii) Biocon received an assessment order dated May 23, 2014 from the DCIT wherein an amount of ₹279.6 million for the assessment year 2010 – 2011 was disallowed. The DCIT raised a demand of ₹63.3 million. Biocon filed an appeal before the CITA. The matter is currently pending.
- (ix) Biocon has received a draft assessment order dated March 11, 2015 from the JCIT, Large Tax Payers Unit, Bangalore wherein the JCIT has (i) disallowed a sales promotion expense of ₹30.1 million; and (ii) added a transfer pricing adjustment of ₹115.9 million to the total income of Biocon for the assessment year 2011 - 2012. The JCIT has accordingly calculated a tax of ₹89.7 million payable by Biocon. Aggrieved by the order, Biocon had filed an appeal with the DRP. The matter is currently pending.
- (x) Biocon received an order under section 201(1A) of the IT Act dated March 20, 2014 from the Income Tax Officer, Large Tax Payers Unit, Bangalore, wherein an amount of ₹29.0 million was demanded as tax and interest for delay in remittance of tax deducted at source in relation to assessment year 2012 - 2013. Aggrieved by the order, Biocon filed an appeal before the CITA. The CITA through its order dated July 25, 2014 passed an order giving partial relief to Biocon. Aggrieved by the order, Biocon filed an appeal before the ITAT. The matter is currently pending.
- (xi) Biocon received an order dated March 6, 2015 under section 201(1A) of the IT Act from the Income Tax Officer, Large Tax Payers Unit, Bangalore, wherein an amount of ₹7.9 million was demanded as interest for delay in remittance of tax deducted at source in relation to assessment year 2013 - 2014. Biocon filed an appeal before the CITA. The matter is currently pending.

Indirect Tax matters

- (i) Biocon received a show cause notice dated April 21, 2014 from the CCEST, wherein it was alleged that Biocon incorrectly claimed exemption on services by foreign commission agents and has not paid service tax of ₹28.3 million. Biocon replied to the notice on August 25, 2014.
- (ii) Biocon received two show cause notices dated April 15, 2014 from the CCEST alleging that Biocon did not charge the service tax on amounts recovered by way of debit notes from Clinigene and accordingly has not paid an aggregate service tax of ₹0.5 million. Biocon replied to the notices on August 24, 2014.
- (iii) Biocon received a show cause notice dated April 9, 2014 from the CCEST alleging that Biocon irregularly availed CENVAT credit on the courier services used for the transport of finished goods to the customers from the factory gate and for sending documents, and accordingly raised a demand of ₹10.7 million. Biocon replied to the notice on September 25, 2014.
- (iv) Biocon received a show cause notice dated April 9, 2014 from the CCEST alleging that Biocon has made payments for research and development expenses to IATRICa Inc, USA, for the period from March 2009 to December 2011, and not paid service tax of ₹14.9 million on the expenses. Biocon replied to the notice on September 9, 2014.
- (v) Biocon received a show cause notice dated March 25, 2011 from the Directorate of Revenue Intelligence, Bangalore (“DRI”), wherein it was alleged that there was a difference between the quantity of raw materials imported and procured locally to the physical stock present at the EOU unit of Biocon and that goods were removed from the premises without following proper procedures for the period from April 2006 to December 2009. Biocon replied to the show cause notice on September 21, 2011 stating that it voluntarily deposited a sum of ₹3.7 million under protest towards duty on goods that were not present in the licensed area, the goods were kept outside the bonded area due to exigency of repair / renovation work, that there was no intention to evade any duty and that upon physical verification of stock the entire stock was within Biocon’s factory premises in which the EOU unit was located. The Commissioner of Central Excise and Service Tax (“CCEST”) through an order dated July 31, 2012 passed an order, *inter alia*, for the confiscation of goods, demand of customs duty and levy of penalty and interest of ₹3.9 million. Aggrieved by the order Biocon filed an appeal with the CESTAT. The CESTAT through an order dated December 10, 2013 waived the deposit of interest and penalty till the disposal of the appeal. The matter is currently pending.

- (vi) Biocon received a show cause notice dated March 25, 2011 from the DRI wherein it was alleged that there was a difference between the quantity of raw materials imported and procured locally to the physical stock present at the EOU unit of Biocon and that goods were removed from the premises without following proper procedures for the period from April 2006 to December 2009. Biocon replied to the show cause notice on September 21, 2011 stating that it voluntarily deposited a sum of ₹18.0 million under protest towards duty on goods that were not present in the licensed area, the goods were kept outside the bonded area due to exigency of repair / renovation work, that there was no intention to evade any duty and that upon physical verification of stock the entire stock was within Biocon's factory premises in which the EOU unit was located. The CCEST through an order dated July 30, 2012 passed an order, *inter alia*, for the confiscation of goods, demand of customs duty and levy of penalty and interest of ₹18.5 million. Aggrieved by the order, Biocon filed an appeal with the CESTAT. The CESTAT through an order dated December 10, 2013 waived the deposit of interest and penalty till the disposal of the appeal. The matter is currently pending.

- (vii) Biocon received a show cause notice dated March 25, 2011 from the DRI wherein it was alleged that there was a difference between the quantity of raw materials imported and procured locally to the physical stock present at the EOU unit of Biocon and that goods were removed from the premises without following proper procedures for the period from April 2006 to December 2009. Biocon replied to the show cause notice on September 21, 2011 stating that it voluntarily deposited a sum of ₹21.1 million under protest towards duty on goods that were not present in the licensed area, the goods were kept outside the bonded area due to exigency of repair / renovation work, that there was no intention to evade any duty and that upon physical verification of stock the entire stock was within Biocon's factory premises in which the EOU unit was located. The CCEST through an order dated July 31, 2012 passed an order, *inter alia*, for the confiscation of goods, demand of customs duty and levy of penalty and interest of ₹23.6 million. Aggrieved by the order, Biocon filed an appeal with the CESTAT. The CESTAT through an order dated December 10, 2013 waived the deposit of interest and penalty till the disposal of the appeal. The matter is currently pending.

- (viii) Biocon received a show cause notice dated August 17, 2011 from the CCEST, wherein Biocon was directed to show cause as to why (i) the fees and professional charges paid by them for receiving services from foreign companies, related to patent filing applications, should not be classified under 'support services of business or commerce'; (ii) the amount of aforesaid fees and professional charges paid during the period between May 1, 2006 and March 31, 2010 should not be treated as being of taxable value; (iii) a demand of service tax of ₹13.8 million and interest on the amount should not be made; and (iv) penalty should not be imposed on them for failure to discharge the service tax, failure to self-assess the service tax and suppressing the receipt/value of the said taxable service. Biocon replied to the show cause notice by letter dated October 25, 2011. The CCEST passed an order dated January 24, 2013, rejecting the replies of Biocon and demanded (i) ₹13.8 million, being the service tax payable and interest thereon; and (ii) total penalty of ₹13.9 million. Aggrieved by the order, Biocon filed an appeal and application seeking stay of the order, before the CESTAT. Biocon was granted a stay order dated May 23, 2014. The matter is currently pending.

- (ix) Biocon received a show cause notice dated November 29, 2011 from the CCEST wherein Biocon was directed to show cause as to why (i) the clinical trials/ research service received during the period between October 1, 2010 to March 31, 2011 should not be classified as 'technical testing and analysis services' received by Biocon; (ii) the amount paid to foreign companies for the said services received by Biocon should not be considered as having taxable value; (iii) a demand of service tax of ₹1.5 million and interest payable thereon should not be made; and (iv) a demand of penalty for failure to discharge service tax and self assess the service tax should not be made. Biocon replied to the show cause notice by letter dated December 6, 2011, refuting the claims made thereunder. The CCEST passed an order dated March 6, 2013, rejecting the replies of Biocon and demanded (i) ₹1.5 million, being the service tax payable and interest thereon; and (ii) total penalty of ₹50,000. Aggrieved by the order, Biocon filed an appeal before the CCEA. The CCEA by an order dated August 28, 2013, upheld the earlier order. Aggrieved by the order, Biocon filed an appeal and application seeking stay of the order, before the CESTAT. The CESTAT passed a stay order dated September 12, 2014 in the matter. The matter is currently pending.

- (x) Biocon received a show cause notice dated August 10, 2011 from the CCEST, wherein Biocon was directed to show cause as to why (i) the clinical trials/ research service received during the period from May 1, 2006 to September 30, 2010 should not be classified as 'technical testing and analysis services' received by Biocon; (ii) the amount paid for the said services should not be treated as being of taxable

value; (iii) a demand of service tax of ₹22.7 million an interest should not be made; and (iv) penalty should not be imposed on them for failure to discharge the service tax, failure to self-assess the service tax and for suppressing the receipt/value of the said taxable service. Biocon replied to the show cause notice by letter dated October 6, 2011. The CCEST passed an order dated January 24, 2013 rejecting the claims of Biocon and demanded (i) ₹22.7 million, being the service tax payable and interest thereon; and (ii) total penalty of ₹22.7 million. Aggrieved by the order, Biocon filed an appeal and application seeking stay of the order, before the CESTAT. The CESTAT passed a stay order dated April 23, 2014 in the matter. The matter is currently pending.

- (xi) Biocon received eight show cause notices in the year 2012, from the CCEST, wherein rebate claims aggregating to ₹1.4 million were rejected on the grounds of, *inter alia*, (i) having cleared or removed from the SEZ, excisable goods which were neither manufactured nor produced in India, without fulfilling the prescribed limitations and conditions; (ii) claiming rebate on dutiable goods; and (iii) other procedural infractions under the Central Excise Act, 1944 and the rules, regulations and notifications issued thereunder. Biocon replied to the show cause notices by rebutting the grounds for rejection of the rebate claim. The CCEST passed orders in original, rejecting the claims of Biocon. Aggrieved by the orders, Biocon filed appeals before the Commissioner of Central Excise and Service Tax (Appeals) (“CCESTA”) seeking a sanction of rebate and setting aside of the orders. The CCESTA dismissed the appeals filed by Biocon by a common order in appeal dated August 28, 2013 and rejected the rebate claimed. Aggrieved by the order, Biocon filed revision applications before the Joint Secretary (Revisionary Authority), Government of India. The applications are currently pending.
- (xii) Biocon received a show cause notice dated January 5, 2012 from the CCEST, wherein rebate claim of ₹10,000 was rejected on the grounds that rebate of duty paid in relation to exempted goods cannot be granted. Biocon replied to the show cause notice by letter dated February 7, 2012 and refuted the grounds for rejection. The CCEST passed an order dated March 27, 2012 rejecting the claims of Biocon. Aggrieved by the order Biocon filed an appeal before the CCESTA. The matter is currently pending.
- (xiii) Biocon received a show cause notice dated March 12, 2014 from the CCEST, wherein their rebate claim of ₹0.2 million was rejected on the grounds that rebate on the duty paid on obsolete raw materials which were destroyed by Biocon is not permissible. Biocon replied to the show cause notice by letter dated April 1, 2014 refuting the ground for rejection. The CCEST passed an order dated April 7, 2014 rejecting the claims of Biocon. Aggrieved by the order Biocon filed an appeal before the CCESTA. The CCESTA through an order dated March 23, 2015 passed an order against Biocon. Biocon is in the process of filing an appeal in relation to this matter.
- (xiv) Biocon received a show cause notice dated December 24, 2013 from the CCEST, wherein their rebate claim of ₹0.5 million was rejected on the grounds that Biocon failed to comply with the required consignment examination procedure and self sealing procedure before export of goods. Biocon appeared for a personal hearing on January 9, 2013 and refuted the claims. The CCEST passed an order dated February 18, 2014 rejecting the claims of Biocon. Aggrieved by the order, Biocon filed an appeal before the CCESTA. The matter is currently pending.
- (xv) Biocon received a show cause notice dated March 30, 2014 from the Deputy Commissioner (GLT -1), Bangalore, wherein their rebate claim of ₹0.7 million was rejected on the grounds that Biocon failed to comply with the required consignment examination procedure and self sealing procedure before export of goods. Biocon replied to the show cause notice by letter dated May 2, 2014 refuting the grounds for rejection. The Deputy Commissioner by its order May 26, 2014 rejected the claims of rebate. Aggrieved by the order, Biocon filed an appeal before the Commissioner of Central Excise (Appeals) challenging the grounds of rejection of the rebate claimed and seeking a rebate of ₹0.66 million alongwith interest. The matter is currently pending.
- (xvi) The CCEST passed an order dated October 14, 2014 regarding the eligibility of Biocon to claim rebate on duty paid for exported goods. While the rebate claim of ₹0.2 million was allowed, it was credited to Biocon’s CENVAT credit account and the rebate claim of ₹2.0 million was rejected. Aggrieved by the order Biocon filed an appeal before the CCESTA challenging the grounds of rejection of the rebate claimed and seeking a rebate of ₹2.2 million. The matter is currently pending.
- (xvii) Biocon received a show cause notice dated September 27, 2013 from the CCEST, whereby Biocon was asked to show cause against (i) the demand of ₹77.3 million, being the amount claimed as CENVAT

credit on the inputs used in the manufacture of exempted products, interest thereon and penalty for the same; and (ii) set off of the amount of CENVAT credit and interest credited to Biocon's account against the said demand and interest. Biocon replied to the show cause notice by letter dated June 11, 2014 rejecting the claims under the show cause notice. The CCEST passed an order dated June 24, 2014 demanding ₹77.3 million, interest thereon and penalty of ₹77.3 million; and the amounts of ₹5.2 million credited to Biocon's CENVAT account and ₹2.1 million paid by Biocon were appropriated towards the demand of CENVAT amount and interest, respectively. Aggrieved by the order, Biocon filed an appeal before the CESTAT. The matter is currently pending.

- (xviii) The CCEST passed orders dated November 21, 2012, November 29, 2012, January 2, 2013, February 26, 2013 and April 25, 2013 against Biocon, rejecting their claim of draw back of basic customs duty since the quantities claimed to have been utilised for manufacture of the exported final product and the high percentage of irrevocable wastages were difficult to verify/ justify. Biocon filed appeals against the orders. The CCESTA passed orders in appeal dated June 12, 2013 and September 11, 2013, whereby, Biocon's appeal was approved, subject to verification of the documents and the lower authority was directed to visit Biocon's factory to ascertain the manufacturing process involved, to decide the drawback duty. Accordingly, the visits were undertaken and Biocon submitted applications for fixation of brand rate for computation of duty drawbacks. The CCEST passed an order dated October 10, 2014 rejecting the applications of Biocon for duty drawbacks of ₹30.9 million. Aggrieved by the order, Biocon filed an appeal before the Commissioner, CCESTA. The matter is currently pending.
- (xix) Biocon received a show cause notice dated June 20, 2013 from the CCEST, rejecting Biocon's claim for rebate of ₹3.5 million on the grounds of (i) discrepancies in various documents and; (ii) the non submission of various documents by Biocon. Biocon replied to the show cause notice by letter dated July 8, 2013 and refuted the findings of the order. The CCEST dated July 17, 2013 rejected the claim. Aggrieved by the order, Biocon filed an appeal before the CCESTA. The CCESTA through an order dated March 6, 2015 passed an order in favour of Biocon.
- (xx) Biocon received a show cause notice dated November 22, 2012 from the CCEST, Large Taxpayers Unit, wherein the rebate claim of ₹1.3 million was rejected on the grounds that rebate on the duty paid on obsolete raw materials which were destroyed by Biocon, is not permissible. Biocon replied to the show cause notice by letter dated January 4, 2013 refuting the ground for rejection. The CCEST passed an order dated January 23, 2013 rejecting the claim. Aggrieved by the order, Biocon filed an appeal before the CCESTA contesting the rejection of refund. The CCESTA passed an order dated November 20, 2013 rejecting the appeal filed and held that Biocon was not eligible for the refund. Aggrieved by the order, Biocon filed an appeal before the CESTAT.
- (xxi) Biocon received an assessment order dated September 29, 2013 issued by the Excise and Taxation Officer-cum-Designation Officer, Union Territory, Chandigarh levying VAT of the amount ₹0.8 million and Central Sales Tax of ₹60,898 for sale and purchase of goods by way of stock transfers from its various branches located in the country. Aggrieved by the said assessment order, Biocon filed an appeal dated November 11, 2013 before the Deputy Excise and Taxation Commissioner (Appeals) Union Territory at Chandigarh claiming that the said assessment order was (i) illegal, unsustainable and against the facts of the case and (ii) that the tax was levied without establishing that there was any accounted sale of goods. The matter is currently pending.

Civil Matters

- (i) Biocon received a notice dated December 6, 2013 from AB Science, wherein it was alleged that Biocon supplied a molecule which was not compliant with the purchase order given by AB Science under a supply agreement dated June 3, 2005. The notice sought Biocon to reimburse an amount of US\$ 693,000 under the purchase order. Biocon, through a letter December 24, 2013 denied the allegations in the notice. AB Science subsequently filed a suit in the Paris Court of Commerce for recovery of US\$ 693,000 under the purchase order, Euro 50,000 in damages and Euro 15,000 as costs. Biocon submitted its reply. The matter is currently pending.
- (ii) Aadar Destitute & Old People Home ("Aadar") filed a writ petition on February 17, 2004 before the Supreme Court of India against the Union of India, Biocon and others alleging that Biocon was conducting human clinical trials of 'r-human insulin' without the permission of the Genetic Engineering Approval Committee. Aadar sought an order from the Supreme Court restraining Biocon

from conducting human clinical trials of its product 'r-human insulin' till final disposal of the matter. Biocon in its reply denied the allegations and stated that it had the necessary approvals to conduct the clinical trials. The matter is currently pending.

- (iii) Roche Products (India) Private Limited ("**Roche**") and others filed a civil suit on February 4, 2014 before the Delhi High Court against the Drugs Controller General of India, Biocon and others, wherein Roche sought an injunction against Biocon on account of imminent threat and credible apprehension of the introduction of the purported biosimilar version of its drug 'Trastuzumab'. Roche further alleged that Biocon's drugs were misrepresented as 'Trastuzumab', 'biosimilar Trastuzumab' and a biosimilar version of HERCEPTIN without following the due process in accordance with the 'Guidelines on Similar Biologics: Regulatory Requirements for Marketing Authorisation in India' issued by the Department of Science and Technology and the Central Drugs Standard Control Organisation, Government of India. The Delhi High Court through an order dated February 5, 2014 restrained Biocon from relying upon or otherwise referring to HERCEPTIN, HERCLON or BICELTIS or any data relating to 'Trastuzumab' marketed as HERCEPTIN, HERCLON or BICELTIS including data relating to its manufacturing process, safety, efficacy, sales in any press release, public announcements, promotional or other material. Aggrieved by the order, Biocon challenged the order before the division bench of the Delhi High Court which is pending. The matter is currently pending.
- (iv) Novartis AG ("**Novartis**"), Novartis Healthcare Private Limited and Emcure Pharmaceuticals Limited (collectively called "**Plaintiffs**"), filed an original suit against Biocon before the Delhi High Court on March 27, 2014, praying for permanent injunction for restraining Biocon from infringement of patent for a drug. The Plaintiffs stated that Novartis is the holder of the said patent with effect from December 9, 1999, which grants it the right to manufacture, sell, offer for sale, use or import the drug alone or in combination in India to the exclusion of every other unauthorized person, as per Section 48 of the Patents Act, 1970. The Plaintiffs claimed that Biocon had applied for a drug license with the intention to manufacture and sell the drug, the compound specifically forming subject matter of claims 3 and 4 of the said patent, which constitutes an infringement of their statutory right. Accordingly, the Plaintiffs prayed for (i) a decree of permanent injunction, (ii) rendition of accounts and a decree for the amounts found to be earned from infringing products or in the alternative damages, (iii) decree for delivery up of all the stock of infringing pharmaceutical formulations comprising the drug; and (iv) costs for the proceeding. Biocon filed a reply to the said plaint through reply dated April 26, 2014, denying the claims made by the Plaintiffs. Further, Biocon filed a counter claim dated April 26, 2014 for (i) revocation of the said patent; (ii) dismissal of the civil suit; and (iii) exemplary costs to be awarded to Biocon. The High Court of Delhi passed an order dated March 28, 2014 stating that Biocon may not, *inter alia*, manufacturing, importing and selling, directly or indirectly the drug, except the acts exempted under section 107(A) of the Patents Act, 1970. Thereafter, the High Court of Delhi passed an order dated April 16, 2014 stating that till the next date of hearing, Biocon is restrained, *inter alia*, from manufacturing, importing and selling pharmaceutical products, compounds or formulations containing the drug alone or the drug along with metformin hydrochloride in contravention of the Patents Act, 1970. The matter is currently pending.
- (v) Marie Theresa Fernandes raised an industrial dispute before the Presiding Officer, Additional Labour Court ("**Officer**") against the management of Biocon claiming wrongful termination of employment by the management. The Officer through an order dated April 30, 2005 ordered Biocon to pay an amount of ₹0.5 million to Marie Theresa Fernandes. Biocon paid an amount of ₹0.3 million (after deducting income tax at source and amounts which were due to Biocon). Aggrieved by the action of Biocon, Marie Theresa Fernandes contested the deductions made by Biocon before the Officer which passed an order dated December 2, 2008 in favour of Marie Theresa Fernandes directing Biocon to pay the remaining amount of ₹0.1 million together with interest at 9% per annum. Aggrieved by this order, Biocon filed a writ petition before the Karnataka High Court. The matter is currently pending.
- (vi) Add Food Services GmbH and Johannes de Bie @ Hans de Bie ("**Plaintiffs**") filed a civil suit on February 17, 2014 before the Civil Judge (Senior Division) at Anekal against Biocon, Kiran Mazumdar Shaw and Novozyme South Asia Private Limited ("**Novozyme**"), alleging that the Plaintiffs provided three strains of micro organisms with the development package to Biocon for it to commercially exploit the strains and upon successful commercial production, the second Plaintiff would be appointed the agent for sale of products arising out of the strains and paid commission and royalty. It was further alleged that Biocon and Kiran Mazumdar Shaw later sold the entire enzyme business, alongwith the aforesaid strains and development package, to Novozyme. The Plaintiffs sought that Biocon, Kiran Mazumdar Shaw and Novozyme jointly and severally pay an amount of ₹347.7 million along with

interest at the rate of 18% per annum from October 2007 till the date of payment as the value of the aforesaid strains provided by the Plaintiffs to Biocon and Kiran Mazumdar Shaw. Biocon and Kiran Mazumdar Shaw have filed their written statements denying the allegations. The matter is currently pending. Additionally, Biocon has filed a money recovery suit before the regional court in Germany in relation to this matter. The regional court through its order dated September 12, 2011 has suspended all proceedings till the ruling of the matter by the Civil Judge (Senior Division) at Anekal. The matter is currently pending.

- (vii) Rajinder Mehta filed three suits on October 28, 2013, March 19, 2014 and October 1, 2014 against Biocon before the District Judge, Karkardooma, Delhi, wherein he alleged that Biocon had taken premises in Delhi on lease from him for a period of nine years with effect from August 1, 2007 and had failed to pay the rent from April 1, 2013 till August 31, 2014. Rajinder Mehta sought arrears in rent aggregating to ₹1.8 million with interest at the rate of 15% per annum and the balance rent from September 1, 2014 till the remainder of the term of the lease agreement. Biocon filed its written statements in respect of all these matters stating that it had vacated the premises by giving a notice to terminate the lease deed and asking Rajinder Mehta to adjust the rent of April 2013 from the security deposit. The matters are currently pending.
- (viii) V. Munireddy filed a plaint on September 4, 2002 before the Principal Civil Judge (Senior Division) at Anekal against Kiran Mazumdar Shaw and subsequently against Biocon (“**Defendants**”) wherein he alleged that he is the lawful owner of agricultural land bearing serial number 45/1A measuring 1 acres 2 guntas at Hebbagodi village, Anekal Taluk and that the Defendants have no right over the property. Kiran Mazumdar Shaw in her written statement denied the allegations of the plaintiff. The matter is currently pending.
- (ix) Veena and others have filed a plaint on December 19, 2012 before the Civil Judge (Senior Division) at Anekal against Biocon and others, wherein they have alleged that they are entitled to a portion of the property located at Sy. No. 29, measuring 7 guntas and Sy. No. 31 measuring 8 guntas, Hebbagodi village, Anekal Taluk and that the property was illegally alienated in favour another person who in turn sold the property to Biocon. Biocon filed its written statement in respect of this matter. The matter is currently pending.
- (x) Gowramma and others have filed a plaint on April 17, 2007 before the Civil Judge (Senior Division) at Anekal against Biocon and others, wherein they have alleged that two persons have illegally sold a portion of the property located at Sy. No 29 measuring 0-7 guntas and Sy. No. 31 measuring 19 guntas, Hebbagodi village, Anekal Taluk, to another person, who in turn sold the property to Biocon. The plaintiffs have sought a permanent injunction restraining Biocon from alienating the property. Biocon filed its written statement in respect of this matter. The matter is currently pending.

Criminal Matters

- (i) Sujit Kumar (Drug Inspector), Ranchi filed a criminal complaint on September 13, 2013 before the Additional Chief Judicial Magistrate, Ranchi (“**ACJM**”) against Biocon, its managing director and others alleging that a product manufactured by Biocon is a “drug” and not a “neutraceutical” and that Biocon was manufacturing the product without a manufacturing license in contravention of the Drugs and Cosmetics Act, 1940. The ACJM subsequently took cognizance of the offence through an order dated September 16, 2013. Biocon and its managing director, have filed an application before the Jharkhand High Court seeking the quashing of the criminal complaint and the order of the ACJM. The matter is currently pending.

II. Threatened Litigation against our Promoter

- (i) Biocon has received a legal notice dated March 31, 2015 from Tekas Pharma demanding a payment of ₹2.7 million being the amount alleged to be due to it and legal costs alongwith interest at the rate of 24% till the date of payment. Biocon is in the process of replying to the notice.

III. Litigation by our Promoter

Civil Matters

- (i) Biocon filed a writ petition on October 27, 2014 before the Kerala High Court against the State of Kerala and others challenging the requirement of a permit and levy of transit permit fee over methanol

under the Kerala Liquor Transit Rules, 1975 and the Akbari Act (as applicable to the state of Kerala in 1967) on the grounds that methanol does not come under the definition of “liquor” under the Akbari Act. The Kerala High Court through an interim order dated November 6, 2014 restrained the respondents from insisting on a permit for transit of methanol through Kerala and to not detain the vehicles transporting the industrial raw material methanol or demanding a transport fee. The matter is currently pending.

- (ii) Biocon filed a suit on March 26, 2010 before the Court of the Civil Judge (Junior Division) at Anekal against Oyster Pharma Private Limited, wherein Biocon sought recovery of (i) an amount ₹0.2 million as payment for products delivered by Biocon together with 24% interest per annum; and (ii) an amount of ₹21,692 for not providing C-forms against all invoices provided by Biocon. The court passed a decree on March 30, 2012 in favour of Biocon. The decree is currently pending execution.
- (iii) Biocon filed a suit on March 29, 2010 before the Court of the Civil Judge (Junior Division) at Anekal against Bio Drugs Laboratories Private Limited, wherein Biocon sought recovery of (i) an amount ₹0.2 million as payment for products delivered by Biocon together with 24% interest per annum; and (ii) an amount of ₹6,168 for not providing C-forms against all invoices provided by Biocon. The Civil Judge (Junior Division) at Anekal passed a decree on March 15, 2012 in favour of Biocon. The decree is currently pending execution.
- (iv) Biocon filed a suit on August 29, 2011 before the Court of the Civil Judge (Senior Division) at Anekal against Burgeon Pharmaceuticals Private Limited and another, wherein Biocon sought recovery of (i) an amount ₹3.6 million as payment for products delivered by Biocon together with 24% interest per annum; and (ii) costs of the suit. The Civil Judge (Junior Division) at Anekal passed a decree dated July 5, 2013 in favour of Biocon. The decree is currently pending execution.
- (v) Biocon filed a suit before the Court of the Civil Judge (Senior Division) at Anekal against Shwarde Pharmaceuticals (India) Private Limited, wherein Biocon sought recovery of (i) an amount ₹0.7 million as payment for products delivered by Biocon together with 24% interest per annum; and (ii) an amount of ₹33,924 for not providing C-forms against all invoices provided by Biocon. The matter is currently pending.
- (vi) Biocon filed a suit before the Court of the Civil Judge (Senior Division) at Anekal against Duckbill Drug Private Limited, wherein Biocon sought recovery of (i) an amount ₹0.5 million as payment for products delivered by Biocon together with 24% interest per annum; and (ii) an amount of ₹0.2 million for not providing C-forms against all invoices provided by Biocon. The matter is currently pending.
- (vii) Biocon filed a suit on December 14, 2011 before the Court of the Civil Judge (Senior Division) at Anekal against Albino Lifesciences Private Limited, wherein Biocon sought recovery of (i) an amount ₹0.9 million as payment for products delivered by Biocon together with 18% interest per annum; and (ii) costs of the suit. The matter is currently pending.
- (viii) Biocon filed a securitisation appeal before the debt recovery tribunal (“DRT”) against the action of the authorised officer of the Indian Overseas Bank (“IoB”) and Atlas Laboratories and Pharmaceuticals Private Limited (“Atlas”) to auction its goods lying at the premises of Atlas through an auction notice dated January 25, 2012. Biocon claimed that it entered into a loan license agreement dated February 18, 2011 with Atlas wherein raw materials and packaging materials would be supplied by Biocon for the purpose of manufacture of pharmaceutical products by Atlas. In addition, Biocon also supplied certain machinery for the purpose of such manufacture. Subsequently, on December 5, 2011, Biocon came to know that IoB locked and seized the facility of Atlas where the raw materials, packaging materials and machinery (“Goods”) supplied by Biocon to Atlas were present. Biocon on December 5, 2011 requested IoB to allow it to remove the Goods from Atlas’s facility. IoB, through letters dated December 8, 2011 and January 4, 2012 rejected Biocon’s request. Biocon, *inter alia*, sought that the tribunal (i) declare the auction notice as invalid and illegal; and (ii) restore physical possession of raw materials and machinery to Biocon. The Goods have been valued at ₹78.3 million. The DRT ordered the segregation of the Goods from the goods of Atlas. IoB subsequently filed an application for appointment of a local commission for sale of stock lying at the premises of Atlas which was agreed to by Biocon. The matter is currently pending.

In connection with this matter Biocon filed a suit for recovery of money and damages on December 2, 2014 before the Delhi High Court against IoB and Atlas, wherein it sought a decree of ₹78.6 million

alongwith an interest of 24% per annum against IoB and Atlas.

- (ix) Biocon filed a suit on June 26, 2010 before the City Civil Judge at Bangalore against VHB Lifesciences Limited and Vardhman Health Specialities Limited (“**Defendants**”), wherein it sought (i) a perpetual injunction against the Defendants from directly or indirectly, using the mark ‘NEUFIL’ or any other mark deceptively similar to Biocon’s trademark ‘NUFIL’ and ‘NUFIL SAFE’, in relation to any medicinal or pharmaceutical preparations, so as to pass off and / or enable others to pass off the defendants goods as goods of Biocon; (ii) the defendants be ordered to provide the accounts and profits earned by them by using the impugned trademark ‘NEUFIL’ and pay the same to Biocon with interest at the rate of 18% from the date of the suit till the actual realisation of the amounts; and (iii) destruction of all goods bearing the impugned mark ‘NEUFIL’. VHB Lifesciences Limited filed a written statement denying the allegations made by Biocon. The court passed an interim order dated June 28, 2010 restricting VHB Lifesciences Limited from using the disputed trademark. The matter is currently pending.
- (x) Biocon filed a civil suit on August 5, 2003 before the Madras High Court against Basarass Biocon India Private Limited (“**Basarass**”), wherein it requested the court to pass an interim injunction to restrain Basarass and its agents, servants or successors (i) from using the trade mark or name “Biocon” or any other name which is deceptively similar to Biocon’s trade name or mark ‘Biocon’; (ii) from infringing Biocon’s copyright in the name, mark or word ‘Biocon’ as part of its corporate name or any of its products; and (iii) from using the trade name and mark ‘Biocon’ or any other name or mark deceptively similar to name and mark of Biocon in connection with or upon the label of any of the products of Biocon. The Madras High Court through its order dated October 16, 2003 passed the interim injunction as sought by Biocon. Basarass filed a written statement denying the allegations made by Biocon. The matter is currently pending.
- (xi) Biocon received a letter dated June 4, 2009 from the National Pharmaceutical Pricing Authority (“**NPPA**”), wherein NPPA alleged that Biocon launched an insulin by the name of ‘Basalog’ without submitting the same for fixation of price under the Drug Price Control Order, 1995 (the “**DPCO**”). Biocon through an letter dated July 2, 2009 replied to NPPA’s letter stating that its product ‘Basalog’ was a drug called ‘Glargine’ and not insulin and was not covered under the DPCO. NPPA through a letter dated July 21, 2009 rejected the explanation of Biocon and threatened action against Biocon if it did not submit the drug for price fixation and for selling the drug without price approval. Aggrieved by the action of the NPPA, Biocon filed a writ petition on August 3, 2009 before the Karnataka High Court seeking a writ in the nature of *certiorari* or any other writ to quash the communication dated July 21, 2009 of the NPPA. During the pendency of the writ petition, the NPPA through an order dated August 3, 2009 fixed the retail price of ‘Basalog’. Biocon subsequently amended the writ petition to include the order of the NPPA. Through various letters NPPA sought certain explanations and information from Biocon and threatened to fix the price of the drug if Biocon did not provide the same. Biocon sought from the court (i) a declaration that the product ‘Basalog’ did not fall within the ambit of the DPCO; and (ii) quash the various communications from the NPPA. The matter is currently pending.

Criminal matters

- (i) Biocon filed a criminal complaint on June 29, 2011 before the First Class Judicial Magistrate against Dayanand Shankule, proprietor of Tirupathi Enterprises under section 138 of the Negotiable Instruments Act, 1881 for an amount of ₹0.2 million which was due to Biocon for products supplied by it. The court returned the complaint with a direction to present the same before the court in whose jurisdiction the drawee bank was located. The matter is currently pending.
- (ii) Biocon filed a criminal complaint on January 1, 2013 before the First Class Judicial Magistrate against Vexta Laboratories Private Limited and another under section 138 of the Negotiable Instruments Act, 1881 for an amount of ₹2.8 million which was due to Biocon for products supplied by it. The court returned the complaint with a direction to present the same before the court in whose jurisdiction the drawee bank was located. The matter is currently pending.
- (iii) Biocon filed two criminal complaints on August 17, 2011 and September 7, 2011 before the First Class Judicial Magistrate against Mission Vivacare Limited and another under section 138 of the Negotiable Instruments Act, 1881 for an aggregate amount of ₹2.1 million which was due to Biocon for products supplied by it. The court returned the complaint with a direction to present the same before the court in

whose jurisdiction the drawee bank was located. The matters are currently pending.

- (iv) Biocon filed four criminal complaints on August 12, 2010, before the Additional Chief Metropolitan Magistrate against Alliaance Biotech and another under section 138 of the Negotiable Instruments Act, 1881 for an aggregate amount of ₹2.7 million which was due to Biocon for products supplied by it. Biocon has sought a compensation of twice the amount alongwith interest. The court returned the complaints with a direction to present the same before the court in whose jurisdiction the drawee bank was located. The matters are currently pending.
- (v) Biocon filed two criminal complaints on August 21, 2012 before the First Class Judicial Magistrate at Anekal against Jaiganesh, proprietor of Jay Accurate International Systems under section 138 of the Negotiable Instruments Act, 1881 for an aggregate amount of ₹0.7 million which was due to Biocon for products supplied by it. The court returned the complaint with a direction to present the same before the court in whose jurisdiction the drawee bank was located. Subsequently, the complaints have been filed before the Metropolitan Magistrate Court, Saidapet, Chennai, being the court of appropriate jurisdiction of the drawee bank. The matters are currently pending.
- (vi) Biocon filed a criminal complaint before the Additional Chief Metropolitan Magistrate at Bangalore against Jupiter Marketing and another under section 138 of the Negotiable Instruments Act, 1881 for an amount of ₹0.1 million which was due to Biocon for products supplied by it. The matter is currently pending.

IV. Threatened Litigation by our Promoter

- (i) Biocon has issued five legal demand notices under section 138 of the Negotiable Instruments Act, 1881 for the recovery of an aggregate amount of ₹6.6 million which was due to Biocon for products supplied by it.

V. Details of past penalties

- (i) Biocon received a show cause notice dated march 25, 2011 from the Directorate of Revenue Intelligence as to why a sum of ₹1,67,504 and ₹2.4 million should not be demanded as customs duty towards unauthorised removal of goods from Biocon SEZ without payment of duty. Pursuant to an application, the Customs and Excise Settlement Commission through an order dated November 5, 2012 granted Biocon immunity from prosecution under the Customs Act and imposed a penalty of ₹50,000.
- (ii) Biocon and its managing director had received a show cause notice dated June 5, 2014 from the Enforcement Directorate, Government of India (“ED”) in relation to delayed filing of annual performance reports for its overseas joint ventures / wholly owned subsidiaries. The Assistant Director of Enforcement through its order dated June 25, 2014 imposed a penalty of ₹1,25,000 on Biocon and ₹25,000 on its managing director.
- (iii) Biocon and its managing director had received a show cause notice dated June 5, 2014 from the ED in relation to non filing of annual performance reports for certain of its overseas joint ventures / wholly owned subsidiaries. The Assistant Director of Enforcement through its order dated June 25, 2014 imposed a penalty of ₹1,00,000 on Biocon and ₹20,000 on its managing director.
- (iv) Biocon Biopharmaceuticals Private Limited (“BBL”), which has merged with Biocon, received a show cause notice dated October 30, 2012 from the Development Commissioner, Biocon Special Economic Zone for non fulfilment of NFE criteria in respect of its operations in the special economic zone. The Development Commissioner, Biocon Special Economic Zone through an order dated December 24, 2012 imposed a penalty of ₹75,000.

D. Litigation involving our Directors

I. Kiran Mazumdar Shaw

Civil matters

For details, please refer to sub point numbers (vi) and (viii) of point number C(I)(Civil Matters) of this section.

Criminal matters

For details, please refer to sub point number (i) of point number C(I)(Criminal Matters) of this section.

Details of past penalties

For details, please refer to sub point numbers (ii) and (iii) of point number C(V)(Details of Past Penalties) of this section.

II. Peter Bains

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

III. JMM Shaw

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

IV. CP Rosenberg

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

V. CL Cooney

Civil matters

- (a) Six class action cases have been filed against CL Cooney and other directors of Polypore International, Inc. (“**Polypore**”) by certain shareholders of Polypore in the Court of Chancery, State of Delaware, United States. The shareholders allege that the Polypore’s directors breached their fiduciary duties to Polypore shareholders by engaging in a flawed sales process, agreeing to a transaction price that does not adequately compensate Polypore and agreeing to certain unfair deal protection terms in relation to certain transactions between Polypore with 3M Company, Asahi Kasei Corporation, and EMS Holdings Corporation. The shareholders seek various remedies, including declaratory and injunctive relief, as well as damages and costs. The matters are currently pending.

Criminal matters

NIL

Details of past penalties

NIL

VI. JRF Walls

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

VII. DM Bradbury

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

VIII. PF Blackburn

Civil matters

NIL

Criminal matters

NIL

Details of past penalties

NIL

E. Litigation involving the Group Entities

I. Biocon Research Limited (“BRL”)

Litigation against BRL

Direct Tax Litigation

- (i) BRL received a notice dated March 24, 2014 from the Additional Commissioner of Income Tax, Bangalore (“ACIT”) seeking ₹442.9 million for the assessment year 2011 – 2012. The demand was raised on account of disallowance of deduction on reimbursement of expenses to Biocon and Biocon Biopharmaceuticals Limited. BRL in its reply dated April 22, 2014 sought a stay on the demand on the grounds that it was considering an appeal against the CITA. BRL subsequently filed the appeal with the CITA on April 23, 2014. Subsequently, the ACIT through its notice July

15, 2014 rejected BRL's application and directed BRL to pay the entire demand. BRL filed a writ petition before the Karnataka High Court seeking a stay on the order of the ACIT. The Karnataka High Court through its order dated July 30, 2014 ordered BRL to file a stay application for the stay of the demand before the CITA and directed that no coercive action be taken by the respondent authorities. BRL subsequently filed a stay application before the CITA. The matter is currently pending before the CITA.

- (ii) BRL received an assessment order dated February 25, 2015 from the ACIT wherein an amount of (i) ₹452.3 million as research expenses; (ii) ₹2.9 million as professional charges; and (iii) ₹0.5 million under section 14A of the IT Act was disallowed for the assessment year 2012 – 2013. The DCIT accordingly raised a demand of ₹53.1 million. BRL has filed an appeal before the CITA. The matter is currently pending.

Threatened Litigation against BRL

NIL

Litigation (including threatened litigation) by BRL

NIL

Details of past penalties

NIL

II. Biocon SA

Litigation (including threatened litigation) against Biocon SA

NIL

Litigation (including threatened litigation) by Biocon SA

NIL

Details of past penalties

NIL

III. Biocon Sdn. Bhd.

Litigation (including threatened litigation) against Biocon Sdn. Bhd.

NIL

Litigation (including threatened litigation) by Biocon Sdn. Bhd.

NIL

Details of past penalties

NIL

IV. NeoBiocon FZ LLC ("NeoBiocon")

Litigation (including threatened litigation) against NeoBiocon

NIL

Litigation (including threatened litigation) by NeoBiocon

NIL

Details of past penalties

NIL

V. Biocon Academy

Litigation (including threatened litigation) against Biocon Academy

NIL

Litigation (including threatened litigation) by Biocon Academy

NIL

Details of past penalties

NIL

VI. Biocon Pharma Limited (“BPL”)

Litigation (including threatened litigation) against BPL

NIL

Litigation (including threatened litigation) by BPL

NIL

Details of past penalties

NIL

Litigation or legal action against our Promoter taken by any Ministry, Department of Government or any statutory authority

There is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Amounts Owed To Small Scale Undertakings/ Creditors

There are no amounts owed to small scale undertakings exceeding ₹0.1 million, which are outstanding for more than 30 days. Other than in the ordinary course of business, there are no outstanding dues to other creditors for more than 30 days.

Material Developments

Except as stated in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 189, 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 profitability taken as a whole or the value of our assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

Inquiries, inspections or investigations under Companies Act

There are no inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act, 2013 or any previous company law in the last five years. There are no prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last five years involving our Company.

Compounding Applications

Our Company has filed a compounding application in relation to (i) an incorrect return of allotment filed with

the RoC for the bonus issue of equity shares of face value of ₹5 each made on February 28, 2012; and (ii) non compliance of the disclosure requirements in the explanatory statement as required under rule 6 of the Unlisted Public Companies (Preferential Allotment Rules), 2003 for the extraordinary general meeting convened on December 14, 2011.

Material Frauds

There are no material frauds committed against our Company during the last five years.

Defaults in respect of dues payable

Our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest thereon) or dues in respect of deposits (including interest thereon) or any defaults in repayment of loans from any bank or financial institution (including interest thereon).

Outstanding litigation against other companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

Adverse findings against any persons/entities connected with our Company as regards non compliance with securities laws

There are no adverse findings involving any persons/ entities connected with our Company as regards non compliance with securities law.

Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company or its Directors.

Further Confirmation

Except as disclosed above, there are no regulatory actions initiated/ taken against our Company, our Group Entities and our Promoter by various agencies/ regulatory bodies. Further, except as disclosed above there are no show cause notices received by our Company, our Entities or our Promoter (pending any investigation) for any regulatory lapse.

GOVERNMENT APPROVALS

Our Company has received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required by our Company for carrying out its existing business.

Approvals relating to our Company

A. *Incorporation Details*

1. Certificate of incorporation dated November 18, 1993 issued by the RoC to our Company upon incorporation as Syngene International Private Limited.
2. Fresh certificate of incorporation dated April 19, 2007 issued by the RoC to our Company consequent upon conversion to a public limited company.
3. Our Company was allotted a corporate identification number U51909KA1993PLC014937.

B. *Approvals in relation to our business*

Our Company is required to obtain various approvals in relation to our business. The registrations and approvals obtained by our Company in respect of our business operations in India include the following:

(i) **Biocon Park**

1. Factory license number MYB – 17176 dated May 6, 2009 received from the Chief Inspector of Factories for the premises located at Biocon Special Economy Zone, Biocon Park, Flat No.4, Bommasandra Industrial Area, 4th phase, Bommasandra, Hebbagodi Link Road, Anekal Taluk, Bangalore. The license is valid upto December 31, 2017.
2. Registration certificate bearing no. 1089/bc/CPCSEA dated September 17, 2009 received from the Committee for the Purpose of Control and Supervision of Experiments on Animals, Ministry of Environment & Forests, Government of India for the breeding of rat, mice, hamster, rabbit and guinea pig. The certificate is valid upto July 26, 2016.
3. Registration certificate bearing no. 1089/c/07/CPCSEA dated July 27, 2007 and renewal letter dated May 23, 2015 received from the Committee for the Purpose of Control and Supervision of Experiments on Animals, Ministry of Environment & Forests, Government of India registering our establishment under ‘research’. The certificate is valid upto July 26, 2016.
4. Approval bearing no. AERB/RSB/Res-Pln/KT-124(D)/2013/2615, dated February 15, 2013 received from the Atomic Energy Regulatory Board, Government of India, for the layout plan of the radio isotope laboratory located at the premises of our Company. The approval supersedes earlier approvals dated July 1, 2009, October 8, 2004 and September 15, 2004.
5. Certificate of registration bearing no. AERB/RSD/Res-Regn./KT-124D/2013/10724, dated August 1, 2013 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the operation of the radio isotope laboratory, which was approved through approval bearing no. AERB/RSB/Res-Pln/KT-124(D)/2013/2615, dated February 15, 2013, located at the premises of our Company. The registration is valid upto August 31, 2018.
6. Approval bearing no. AERB/RSB/Res-Pln/KT-124(A)/2012/6763, dated May 29, 2012 received from the Atomic Energy Regulatory Board, Government of India, for the re-approval of the layout plan of the radio isotope laboratory located at the premises of our Company. The approval supersedes an earlier approval dated October 27, 2008.
7. Certificate of registration bearing no. AERB/RSD/Res-Regn./KT-124A/2012/7281, dated June 4, 2012 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the operation of the radio isotope laboratory, which was approved through approval bearing no. AERB/RSB/Res-Pln/KT-124(A)/2012/6763 dated May 29, 2012, located at the premises of our

Company. The registration is valid upto May 31, 2017.

8. Approval bearing no. AERB/RSD/Res-Pln/KT-124(B)/2014/8107, dated August 26, 2014 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the layout plan of the radio isotope laboratory located at the premises of our Company.
9. Approval bearing no. AERB/RSD/Res/RSO/KT-124/2012/7942, dated August 20, 2014 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the appointment of RK Shakthi Devan as the radiological safety officer for the radio isotope laboratories registered and approved through approval number AERB/RSD/Res-Regn./KT-124A/2012/7281 and AERB/RSD/Res-Pln/KT-124(B)/2014/8107 respectively. The approval is valid upto August 31, 2017.
10. Lift operating licenses issued by the Inspectorate of Electricity to operate various lifts located at Block S2 and stability centre located at Biocon SEZ.
11. Consent to establish bearing no. KSPCB/077/N17/Syngene/CFExp/2012-13/H1826 dated March 22, 2013 issued by the KSPCB to our Company for expansion of research and development in biotechnology projects for novel compounds for new drugs. The consent is valid upto March 22, 2018.
12. Integrated consent to operate bearing no. PCB/077/N17/2014-15/H922 dated October 13, 2014 issued by the KSPCB, under sections 21 and 25 of the Air Act and Water Act respectively, to our Company permitting the operation of the unit. The consent is valid up to June 30, 2015.
13. Authorisation bearing no. KSPCB/RO-Anekal/BMW-20/2013/R-4163 dated December 28, 2012 issued by the Environmental officer, Anekal Region to our Company to operate the unit for generation, collection, reception, storage, transportation, treatment and disposal of bio-medical waste under the BMW Rules. The authorisation is valid up to December 31, 2015.
14. Authorisation bearing no. KSPCB/HWM/H/1189 dated October 11, 2010 issued by the KSPCB under the Hazardous Waste (Management, Handling and Transboundary) Rules, 2008. The authorisation is valid up to June 30, 2015.
15. Certificate bearing no. KTK/25/555/2008 dated September 4, 2013 issued by the Drugs Controller and Licensing Authority to our Company for the manufacture for sale of drugs (being everolimus (bulk), caspofungin acetate (bulk), pimecrolimus (bulk). The certificate is valid up to June 16, 2018.
16. GMP certificate bearing no. KTK/25/555/2008 dated May 5, 2014 issued by the Drugs Control Department, Government of India stating that our Company is in compliance with GMP as per the revised schedule M under the Drugs and Cosmetics Act and rules thereunder. The certificate is valid up to May 5, 2015.
17. Approval bearing number 37/05/2006:IL:SEZ:Biocon SEZ/5147 dated September 4, 2006 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit at at Unit-I, SEZ unit, Biocon Special Economic Zone, Bommasandra Jigani Link Road, Industrial Area at the Biocon SEZ. The letter of approval is valid upto April 19, 2017.
18. Approval bearing number KA:03:06:Biocon:1:2A:11/5794 dated October 28, 2013 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for the purpose of undertaking the stability services for pharmaceutical products in man hours at the Biocon SEZ. Our Company has setup the unit and commenced commercial production on August 1, 2014. The approval is valid upto July 30, 2019.
19. Approval bearing number 37/05/2006:IL:Biocon SEZ/2025 dated April 20, 2010 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for amendment of the approval letter dated September 4, 2006 so as to allow our Company to manufacture and export contract research services in the field of monoclonal antibodies in addition to synthetic chemistry, molecular biology & custom synthesis. The approval has been extended upto April 14, 2017 by way of a letter dated April 10, 2012 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India.

20. Approval bearing number 37/11/2007:IL:BioconSEZ/5667 dated August 23, 2007 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for carrying out research services at the Biocon SEZ. The letter of approval has been renewed till December 31, 2018.
 21. Approval bearing number bearing number 37/13/2007:IL:Biocon SEZ/5671 dated August 23, 2007 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for carrying out out critical pharmacokinetics and testing of toxicity parameters of test molecules on small rodents at the Biocon SEZ. The approval has been extended to June 18, 2019.
 22. Approval bearing number 37/12/2007:IL:Biocon SEZ/5669 dated August 23, 2007 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a kilo lab facility for carrying out custom synthesis projects (inorganic compounds) the Biocon SEZ. The letter of approval has been renewed till April 12, 2019.
 23. Approval bearing number KA:03:06:Biocon:1:2A:09/3125 dated July 4, 2011 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for the purpose of (i) research and development in biotechnology projects for novel compounds for new drugs; and (ii) fine organic compounds at the Biocon SEZ. The letter of approval is valid upto April 2, 2017.
 24. Approval bearing number KA:03:06:Biocon:1:2A:08/3126 dated July 4, 2011 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for the purpose of (i) research and development in biotechnology projects for novel compounds for new drugs; and (ii) fine organic compounds at the Biocon SEZ. The letter of approval is valid upto August 25, 2016.
 25. Approval bearing number KA:03:06:Biocon:1:2A:10/3195 dated June 28, 2013 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for the purpose of (i) research and development in biotechnology projects; and (ii) fine organic compounds at the Biocon SEZ. The letter of approval is valid upto October 1, 2018.
 26. Approval bearing number KA:03:06:Biocon:1:2A:12/6461 dated December 11, 2013 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India to our Company for setting up a unit for the purpose of (i) research services in biotechnology; and (ii) fine organic compounds at the Biocon SEZ. The approval has been extended upto December 10, 2015 pursuant to a letter dated November 25, 2014 issued by the Office of the Development Commissioner, Biocon SEZ, Department of Commerce, Ministry of Commerce and Industry, Government of India.
- (ii) Bommasandra**
27. Consent to establish bearing no. 54/PCB/RSEO/SOUTH/CFE/2013-14/R3674 dated February 1, 2014 issued by the KSPCB to our Company for new research laboratory with animal feed blending facility. The consent is valid upto February 1, 2019.
 28. Combined consent to operate bearing no. KSPCB/RSEO-BNG (South)/2014-15/R3617 dated January 23, 2015 issued by the KSPCB, under section 21 and 25 of the Air Act and Water Act respectively, to our Company permitting the operation of the unit. The consent is valid up to September 30, 2016.
 29. GMP certificate bearing no. KTK/25/571/2009 dated May 5, 2014 issued by the Drugs Control Department, Government of India to our Company to comply with GMP as per the revised schedule M under the Drugs & Cosmetics Act and rules thereunder. The certificate is valid up to May 5, 2015.
 30. GLP certificate dated January 9, 2014 issued by the Department of Science and Technology, Government of India to our Company. The certificate is valid till October 24, 2016.
 31. No objection bearing number 1/26/2001:EOU/CSEZ/1155 dated September 2, 2013 for from the Office of the Development Commissioner, Cochin SEZ, Department of Commerce, Ministry of Commerce

and Industry, Government of India received by our Company for the expansion of the bonded area by 2,583.9 square metres.

C. Tax related approvals

32. Permanent Account Number AABCS9936M.
33. Certificate of registration under the Karnataka Value Added Tax Act, 2003 dated December 12, 2012 issued by the Assistant Commissioner of Commercial Tax, Bangalore for its place of business located at Plot No. 113/C2 Bommasandra Industrial Area Bangalore.
34. Amended certificate of registration bearing no.AABCS9936MST001 under the Finance Act, 1994 read with the Service Tax Rules, 1994 dated November 23, 2011.
35. In bond manufacturing sanction order dated September 9, 2001 as amended dated March 22, 2012 issued by the Office of the Deputy Commissioner of Customs under section 65 of the Customs Act, 1962 in favour of our Company to carry on research and development in bio technology projects. The order is valid upto March 30, 2017.
36. Certificate dated January 7, 2010 issued by the Office of the Deputy Commissioner of Customs under section 65 of the Customs Act, 1962 in favour of our Company for bonding of additional premises located at Unit-2, No.113-C2, CS Division, KIADB Industrial Area, Bommasandra, Bangalore in respect of the in bond manufacturing sanction order dated September 9, 2001. The certificate is valid upto March 30, 2017.
37. License dated September 11, 2011 issued by the Office of the Deputy Commissioner of Customs under section 58(1) of the Customs Act, 1962 in favour of our Company for licensing the premises of our Company as a private bonded warehouse. The certificate is valid upto March 30, 2017.
38. Certificate of registration bearing number 26009778 under the Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 dated January 19, 1994 issued by the Profession Tax Officer, Bangalore.
39. Certificate of registration under the Karnataka Sales Tax Act, 1957 dated June 26, 1994 issued by the Assistant Commissioner of Commercial Taxes, Bangalore allotting registration number 11824402.
40. Certificate of registration under Central Sales Tax Act, 1956 dated June 14, 1994 issued by the Assistant Commissioner of Commercial Taxes, Bangalore allotting registration number 11874405.

D. Employment related approvals

41. Certificate of registration bearing no. ALCB4/CLA/P-107/2008-09 dated December 6, 2008 as amended on October 27, 2014 received from Department of Labour, Government of Karnataka under the Contract Labour (Regulation and Abolition) Act, 1970 for its place of business located at Plot No. 2 and 3, Bommasandra, Phase IV, Biocon Special Economic Zone, Jigani Link Road, Bangalore.
42. Certificate of registration bearing no. ALCB-4/CLA/P-09/2010-11 dated April 16, 2010 as amended on January 12, 2014 received from Department of Labour, Government of Karnataka under the Contract Labour (Regulation and Abolition) Act, 1970 for its place of business located at Plot No. 113/C2, Bommasandra Industrial Area, Attibele Hobli, Anekal Taluk, Bangalore.
43. Certificate of registration bearing number 53-20607-34 dated July 23, 2004 under the ESI Act and the rules made thereunder in favour of our Company.
44. Certificate of registration bearing number KN/BNG/190/19109 dated April 23, 1996 under the EPF Act and the rules made thereunder in favour of our Company.

E. Others

45. Certificate of importer-exporter code bearing no. 0793014701 dated February 4, 2014 issued by the Ministry of Commerce and Industry, Government of India.
46. Registration certificate bearing trademark number 1305901 dated October 14, 2006 issued by the Trade

Marks Registry to our Company for registration of the name “Syngene” as a trade mark under class 42. The registration is valid up to August 31, 2024.

47. Registration certificate bearing trademark number 838177 dated April 29, 2005 issued by the Trade Marks Registry to our Company for registration of “Syngene” as a trade mark under class 1. The registration is valid up to January 25, 2019.

F. Pending Approvals

48. Application dated October 7, 2013 by our Company to the Director General of Police, requesting for pre NOC for the construction of project 1202 at Biocon SEZ, plot no. 5, Bommasandra IV Phase, Jigani Link Road, Bangalore.
49. Application dated April 9, 2014 by our Company to the Director General of Police, requesting for issue of NOC to KIADB for the construction of project 1202 at Biocon SEZ, plot no. 5, Bommasandra IV Phase, Jigani Link Road, Bangalore.
50. Application dated October 30, 2014 by our Company to the Senior Assistant Director of Factories and Boilers for the renewal of the factory license number MYB – 10506 situated at Plot number 113/C2, Bommasandra Industrial Area, Hebbagodi, Bangalore.
51. Application dated October 31, 2014 by our Company to the Senior Assistant Director of Factories and Boilers for the renewal of the factory license number MYB – 13798 situated at plot number 2 & 3, Bommasandra Industrial Area, IV Phase, Bommasandra Jigani Link Road, Bangalore 560 099.
52. Application dated November 10, 2014 by our Company to the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India for approval of the layout plan in relation to a new radio isotope laboratory.
53. Application dated November 10, 2014 by our Company to the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India for the approval of the layout of a new radio isotope laboratory at the premises of our Company.
54. Application dated November 11, 2014 by our Company to the Director General of Police, requesting for pre NOC for the construction of project 1204 and 1205 for the formulation development centre and biologics plant at Biocon SEZ, plot no. 2, 3, 4 and 5, Bommasandra IV Phase, Jigani Link Road, Bangalore.
55. Application dated January 1, 2015 by our Company to the District Collector, Bangalore South for approval to procure, store and use potassium cyanide, sodium cyanide, cuprous cyanide and zinc cyanide at the premises of our Company.
56. Application dated January 16, 2015 by our Company to the KSPCB for renewal of license bearing number KSPCB/HWM/H/1189 dated October 11, 2010.
57. Application dated January 29, 2015 by our Company to the KSPCB for renewal of the authorisation under the Hazardous Waste (Management, Handling and Transboundary) Rules, 2008 for its premises located at plot number 2, 3 and 4, Bommasandra Industrial Area, 4th phase, Jigani Link Road, Bangalore.
58. Application dated January 19, 2015 by our Company to the KSPCB for obtaining authorisation for generation/ collection/ storage/ disposal of hazardous waste for Unit II, C-2 Bommasandra Industrial Area, Anekal Taluk, Bangalore.
59. Application dated January 19, 2015 by our Company to the Karnataka State Pollution Control Board for obtaining authorisation for generation/ collection/ storage/ disposal of hazardous waste for plot nos. 2, 3 and 4, Bommasandra Industrial Area, Bommasandra Jigani Link Road, Anekal Taluk, Bangalore.
60. Application dated January 30, 2015 by our Company to the Development Commissioner, Cochin SEZ, Ministry of Commerce and Development, Kakkanad, Cochin for Co-Developer status at MSEZ.
61. Application dated February 20, 2015 by our Company to the Atomic Energy Regulatory Board,

Radiological Safety Division, Government of India for the reappointment of Dr. Shivendra Singh as the radiological safety officer for radio isotope laboratory bearing registration number AERB/RSD/Res-Regn./KT-124D/2013/10724, dated August 1, 2013.

62. Application dated February 26, 2015 by our Company to the Deputy Chief Controller of Explosives, Petroleum Explosives Safety Organisation for renewal of license bearing number S/HO/KA/03/403 (S38636) to store liquid nitrogen gas in pressure vessels at plot number 2, 3 4 and 5, Phase IV, Biocon SEZ, Bommasandra Jigani Link Road, Bangalore.
63. Rectification Application dated February 27, 2015 by our Company to the Office of the Environmental Officer, KSPCB for including plot number 3, Jigani Industrial Area, 4th phase, Jigani Link Road, Anekal Taluk, Bangalore in the earlier authorisation bearing no. KSPCB/RO-Anekal/BMW-20/2013/R-4163 dated December 28, 2012 issued under the BMW Rules.
64. Application dated February 27, 2015 by our Company to the Narcotics Commissioner of India, Central Bureau of Narcotics for importation of 10gms of ketamine hydrochloride.
65. Application dated March 11, 2015 by our Company to the Drugs Controller and Licensing Authority for renewal of license bearing no. KTK/25/571/2009 dated March 2, 2010 for the manufacture for sale of drugs (being pioglitazone hydrochloride (bulk)).
66. Application dated March 20, 2015 by our Company to the Development Commissioner, Cochin Special Economic Zone for setting up a SEZ unit at Biocon SEZ.
67. Application dated March 20, 2015 by our Company to the Development Commissioner, Cochin Special Economic Zone for setting up a SEZ unit at Biocon SEZ.
68. Application dated April 13, 2015 made by our Company to the KSPCB for transfer of the approval, bearing number 18/PCB/BMN/BMW/HD Reg No. 69700/2014-15/R 772 dated June 10, 2014 under the BMW Rules issued to Clinigene International Limited, to our Company. Our Company has pursuant to the application also stated that the aforesaid approval also increase the number of beds from 53 to 125.

I. Approvals relating to erstwhile Clinigene International Limited (“CIL”)

A. Incorporation Details

1. Certificate of incorporation dated August 4, 2000 issued to Clinigene International Private Limited by the RoC.
2. Certificate of incorporation dated November 18, 1993 issued to Syngene International Private Limited by the RoC to our Company.
3. Fresh certificate of incorporation dated April 7, 2007 issued by the RoC to CIL consequent upon conversion into a public company.
4. CIL was allotted a corporate identification number U85195KA2000PLC027566.

B. Approvals in relation to our business

CIL is required to obtain various approvals in relation to our business. The registrations and approvals obtained by CIL in respect of its business in India include the following:

4. Approval bearing number 4-14/97-DC PLI (CIL) dated December 16, 2014 issued by the Directorate General of Health Services, Office of Drug Controller General (India) to CIL pursuant to which the authority shall accept protocol and bioavailability / bioequivalence study reports on new drugs from CIL’s laboratory having a clinical and bio-analytical facility. The approval is valid upto December 16, 2015.
5. Approval bearing number 018/2010/3074 dated May 27, 2010 issued by the Department of Registration & Drug Control, Ministry of Health, United Arab Emirates to CIL for its bioavailability / bioequivalence centre.

6. Approval bearing number AERB/RSD/Res-Pln/KT-150A/2009, dated July 13, 2009 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the layout plan of the radio isotope laboratory located issued in the name of Biocon Limited at the premises of CIL.
7. Approval bearing number AERB/RSD/Res/RSO/KT-150/5765, dated June 3, 2014 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the appointment of Somenath Mukherjee as the radiological officer. The approval is valid upto June 30, 2017
8. Approval bearing number AERB/RSD/Mr-Gen/KT-150/2011/2620 dated March 1, 2011 issued by the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India for change of name of the radio isotope laboratory from Biocon Limited to CIL.
9. Certificate of registration bearing number AERB/RSD/Res-Regn./KT149/2011/9003, dated July 20, 2011 received from the Atomic Energy Regulatory Board, Radiological Safety Division, Government of India, for the operation of the radio isotope laboratory located at the premises of CIL at bioanalytical laboratory, Tower I, 3rd floor, Semicon Park, Electronic City Phase-2, Hosur Road, Bangalore. The registration is valid upto July 31, 2016.
10. Lift operating licenses issued by the Inspectorate of Electricity to operate various lifts located at the premises of CIL.
11. Consent to establish bearing number CFE-CELL/CIL/EIA-50/2007-2008/4693 dated October 25, 2007 issued by the Karnataka State Pollution Control Board to CIL for establishment of research and development laboratory of human clinical trials.
12. Integrated consent to operate dated June 25, 2014 issued by the KSPCB, under section 21 and 25 of the Air Act and Water Act respectively, to CIL permitting the operation of the unit. The consent is valid up to June 30, 2015.
13. Authorisation bearing number 18/PCB/BMN/BMW/HD Reg No. 69700/2014-15/R 772 dated June 10, 2014 issued by the regional officer, Bangalore - Bommanhalli to the CIL generation, collection, reception, storage, transportation, treatment and disposal of bio-medical waste under the BMW Rules at Plot no. 29(p-1) & 31 p-2, Electronic city, Phase II Hosur Road Bangalore 560 100. The authorisation is valid up to June 30, 2017.
14. Acknowledgement bearing number (PCB/50/HLP/2014/H450) dated June 25, 2014 extending the validity to operate a red category research and development laboratory of human clinical trials up to June 30, 2015.
15. Authorisation bearing number PCB/HWM/SEO/HD/Reg/No.53148/2013-14/H1430 dated November 11, 2013 issued by the Karnataka State Pollution Control Board under the Hazardous Waste (Management, Handling and Transboundary) Rules, 2008 to CIL. The authorisation is valid up to June 30, 2018.
16. Approval dated April 4, 2007 issued by the Electorate Inspectorate to CIL of the drawings pertaining to the installation of diesel generator sets.
17. Certificate dated November 18, 2013 issued by the Office of the Assistant Drugs Controller, Bangalore to CIL for selling, stocking, exhibiting, offer for sale or distribute drugs. The certificate is valid up to September 24, 2018.
18. Certificate dated January 16, 2012 issued by the Office of the Assistant Drugs Controller, Bangalore to CIL for selling, stocking, exhibiting, offer for sale or distribute drugs specified in Schedule X of the Drugs and Cosmetics Act, 1940 by way of wholesale.
19. Recognition letter bearing number TU/IV-RD/3637/2013 dated August 1, 2013 by the Ministry of Science and Technology, Government of India to CIL for its in house research and development unit located at Clinigene House, Tower 1, Semicon Park Electronic City, Phase II, Hosur Road, Bangalore. The recognition letter is valid up to March 31, 2016.

20. Registration certificate bearing registration number BAU 09134- AS – NH dated August 2, 2010 issued by the Karnataka Private Medical Establishment Authority, Government of Karnataka to CIL registering it as a nursing home under the allopathic system pursuant to the KPME Act. The registration is valid up to August 2, 2015.

C. Tax related approvals

21. Permanent Account Number AABCC4230G.
22. Certificate of registration under Central Sales Tax Act, 1956 dated December 18, 2000 issued by the Commissioner of Commercial Taxes, Bangalore allotting registration number 11875513.
23. Certificate of registration under the Karnataka Sales Tax Act, 1957 dated December 18, 2000 issued by the Assistant Commissioner of Commercial Taxes, Bangalore allotting registration number 11825510.
24. Certificate of registration under the Karnataka Tax on Professions, Traders, Calling and Employment Act, 1976 dated November 10, 2008 issued by the Professional Tax Officer, Bangalore allotting registration number P00712108.
25. Certificate of registration under the Karnataka Value Added Tax Act, 2003 dated December 18, 2000 issued by the Assistant Commissioner of Commercial Tax, Bangalore allotting registration number 11825510.
26. Certificate of registration bearing no. AABCC4230GST001 under the Finance Act, 1994 read with the Service Tax Rules, 1994 dated July 22, 2004.

D. Employment related approvals

27. Registration certificate dated June 2, 2007 received from the Department of Labour, Government of Karnataka under the Karnataka Shops and Commercial Establishments Act, 1961. The registration is valid up to December 31, 2016.
28. Certificate of registration bearing number ALCB-4/CLA/P-134/2011-12 dated June 3, 2014 received from Department of Labour, Government of Karnataka under the Contract Labour (Regulation and Abolition) Act, 1970. The approval is valid till March 31, 2016.
29. Certificate of registration bearing number KAR.INSNP.5000-041069-000-0999 dated September 21, 2010 under the ESI Act and the rules made thereunder in favour of CIL.
30. Certificate of registration dated May 26, 2003 under the EPF Act and the rules made thereunder in favour of CIL.

E. Others

31. Certificate of importer-exporter bearing number 0700010467 code dated October 23, 2000 issued by the Ministry of Commerce and Industry, Government of India.
32. Registration certificate bearing trademark number 1082637 dated January 3, 2006 issued by the Trade Marks Registry to our Company for registration of the name “Clinigene” as a trade mark under class 10. The registration is valid up to February 22, 2022.
33. Registration certificate bearing trademark number 1082635 dated January 28, 2004 issued by the Trade Marks Registry to our Company for registration of the name “Clinigene” as a trade mark under class 16. The registration is valid up to February 22, 2022.
34. Registration certificate bearing trademark number 1305902 dated October 17, 2006 issued by the Trade Marks Registry to our Company for registration of the name “Clinigene” as a trade mark under class 42. The registration is valid up to August 31, 2024.

F. Pending Approvals

35. Application dated June 23, 2014 by CIL to KSPCB for renewal of the integrated consent to under section 21 and 25 of the Air Act and Water Act respectively.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on January 22, 2015.

Our Promoter, Biocon, has authorised the offer of 22,000,000 Equity Shares in the Offer by way of board resolution dated January 22, 2015. In terms of regulation 26(6) of the SEBI ICDR Regulations the Equity Shares offered by the Selling Shareholder in the Offer have been held by it for more than a period of one year as on the date of this Draft Red Herring Prospectus. For details in relation to allocation to various categories, see “The Offer” on page 57.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for transfer of Equity Shares by the Selling Shareholder to non-residents under the Offer.

The Selling Shareholder has confirmed that it has not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold are free from any lien, encumbrance, transfer restrictions or third party rights. The Selling Shareholder has also confirmed that it is the legal and beneficial owner of the Equity Shares being offered under the Offer for Sale.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of our Company, the natural persons in control of the corporate Promoter and the Selling Shareholder have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

The companies with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition by RBI

Neither our Company, nor our Promoter, Directors nor the Group Entities have been identified as a wilful defaulter by the RBI or any other governmental authority.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained below:

- Our Company has had net tangible assets of at least ₹30.0 million in each of the preceding three full years (of 12 months each). As the Offer is being made entirely through an offer for sale, the limit of not more than 50% of net tangible assets being monetary assets, is not applicable;
- Our Company has a minimum average pre-tax operating profit of ₹150.0 million calculated on a standalone basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10.0 million in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not

expected to exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for the year ended March 31, 2014; and

- Our Company has not changed its name within the last one year.

Our Company's pre-tax operating profit, net worth and net tangible assets derived from the Restated Financial Statements included in this Draft Red Herring Prospectus as at, and for the last five years ended March 31 are set forth below:

(₹ In Million, unless otherwise stated)

Particulars	Financial Year ended March 31,				
	2010	2011	2012	2013	2014
Net tangible assets, as restated	1,935	2,207	2,968	5,157	6,536
Pre-tax operating profit, as restated	417	475	824	1,086	1,488
Net worth, as restated	1,935	2,207	2,968	5,186	6,593

- Net tangible assets means the sum of all net assets of our Company excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India;
- 'Pre-tax operating profit', has been calculated as restated profit before tax less other income and plus finance costs; and
- Net worth has been defined as the aggregate of paid up share capital and reserves and surplus. Reserves and surplus includes securities premium, general reserve, employee stock option outstanding and surplus in the statement of profit and loss, less amount recoverable from Syngene Employee Welfare Trust.

Financial Years 2012, 2013 and 2014 are the three most profitable years out of the immediately preceding five Financial Years in terms of our restated financial statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED AND JEFFERIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDER IS RESPONSIBLE ONLY FOR STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY IT IN RELATION TO THE EQUITY SHARES OFFERED BY WAY OF AN OFFER FOR SALE IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED APRIL 22, 2015 WHICH READS AS FOLLOWS:

WE, THE BRLMs TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND

CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THIS DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ICDR) REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS

HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. COMPLIED WITH TO THE EXTENT APPLICABLE
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY, AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/ TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ICDR) REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
 - (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
 - (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS WHILE MAKING THE OFFER. - COMPLIED WITH AND NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
16. **WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BRLMs (WHO ARE RESPONSIBLE FOR PRICING THE OFFER), AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR.**
17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY YCRJ & ASSOCIATES, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER 006927S) PURSUANT TO ITS CERTIFICATE DATED APRIL 15, 2015.**

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/ 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, the Red Herring Prospectus and the Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholder from any liability to the extent of the statements made by it in respect of the Equity Shares offered by it under the Offer for Sale, under section 34 and 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 32 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholder and the BRLMs

Our Company, the Directors, the Selling Shareholder 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 Company’s instance and anyone placing reliance on any other source of information, including our Company’s website www.syngeneintl.com or the respective websites of our Group Entities, would be doing so at his or her own risk.

The Selling Shareholder, its directors, affiliates, associates and officers accept/ undertake no responsibility for any statements made other than those made in relation to the Selling Shareholder and to the Equity Shares offered by the Selling Shareholder, by way of the Offer for Sale.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, 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 Shareholder, 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 may engage in transactions with, and perform services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholder and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to permitted non-residents including Eligible NRIs and FPIs and other eligible foreign investors including registered multilateral and bilateral development financial institutions. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Bengaluru only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Group Entities or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser of Equity Shares offered in the United States pursuant to Rule 144A, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to

and agreed with the Company and the BRLMs that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser (A) is a QIB, (B) is acquiring such Equity Shares for its own account or for the account of a U.S.QIB, as the case may be, (C) is aware, and each beneficial owner of shares which it is acquiring such Equity Shares on the account of has been advised, that the sale of the Equity Shares to it is being made in reliance on Rule 144A.
- (3) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (4) the purchaser understands that the Equity Shares have not been and will not be registered under the Securities Act and may not be offered, resold, pledged or otherwise transferred except (A) (i) to a person whom the purchaser and any person acting on its behalf reasonably believes is a U.S. QIB within the meaning of Rule 144A under the Securities Act purchasing for its own account or for the account of 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 or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) and (B) in accordance with all applicable securities laws of the states of the United States;
- (5) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (6) 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 Securities Act;
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “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) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), 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 REALES OF THESE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.”

- (9) the Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made

other than in compliance with the above-stated restrictions; and

- (10) the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the BRLMs that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorised to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Equity Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.
- (3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the customer, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) it agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that, it (or such customer) will not offer, sell, pledge or otherwise transfer such Securities except (A) (i) to a person whom it reasonably believes (or it or anyone on its behalf reasonably believes) is a U.S. QIB under Rule 144A purchasing for its own account or the account of a U.S. QIB under Rule 144A 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 any other available exemption from registration under the Securities Act or (iv) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction.
- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “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) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), 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 REALES OF THESE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK.”

- (9) the Company will not recognise any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (10) the purchaser acknowledges that the Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, 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.

In relation to each EEA Member State that has implemented the Prospectus Directive (each, a “Relevant Member State”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the Underwriter and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “Prospective Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State other than their

offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

No invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by the Underwriters in connection with the issue or sale of the Equity Shares may be communicated or caused to be communicated except in circumstances in which Section 21(1) of the FSMA does not apply to the Company. All applicable provisions of the FSMA must be complied with in respect of anything done or to be done by the Underwriters in relation to any Equity Shares in, from or otherwise involving the United Kingdom.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

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 prior to the RoC filing.

Disclaimer Clause of the 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 prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, India - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, ‘E’ Wing, 2nd Floor, Kendriya Sadana, Koramangala, Bengaluru 560 034, Karnataka, India.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in reliance of the Red Herring Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. If our Company does not Allot Equity Shares pursuant to the Offer within 12 Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from bidders, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges. All expenses with respect to the Offer will be borne by the the Selling Shareholder. Further, the Selling Shareholder shall reimburse our Company for any interest paid by it, in proportion to the Equity Shares offered for sale by the Selling Shareholder in the Offer, in so far as any delays pertain to the Equity Shares offered for sale by such Selling Shareholder.

Price information of past issues handled by the BRLMs

A. Axis

1. Price information of past issues handled by Axis

Sl. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	Inox Limited ¹	10,205.4	325.0	April 9, 2015	400.0	438.4	34.9%	8,778.30	450.70	8,448.10	-	-	-	-
2.	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	584.00	567.30	-12.05%	8,225.20	526.55	8,246.30	511.35	8,234.60	476.00	8,550.70
3.	Bharti Infratel Limited ²	41,727.60	220.00	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.4	5,988.4	204.95	6,039.20	210.30	6,074.80
4.	Tara Jewels Limited	2,200.00	230.00	December 6, 2012	242.00	229.9	-0.04%	5,930.90	230.25	5,857.9	223.75	5,905.6	235.30	6,016.15
5.	MT Educare Limited	990.00	80.00	April 12, 2012	86.05	90.35	12.94%	5,276.85	107.9	5,200.6	107.1	5,239.15	91.15	4,928.90
6.	NBCC Limited ³	1,249.70	106.00	April 12, 2012	101.00	96.95	-8.54%	5,276.85	96.35	5,200.6	94.75	5,239.15	86.55	4,928.90

Source: www.nseindia.com

¹ Price for retail individual bidders and eligible employees was ₹10.00 per equity share

² Price for retail individual bidders was ` 210.00 per equity share and for anchor investors was ₹230.00

³ Price for retail individual bidders and eligible employees was ₹100.70 per equity share.

Notes:

a. The S&P CNX NIFTY is considered as the Benchmark Index.

b. Price on NSE is considered for all of the above calculations.

c. In case 10th/20th/30th day is not a trading day, closing price on NSE of the next trading day has been considered.

d. Since the listing date of Inox Wind Limited was April 9, 2015, information relating to closing prices and benchmark index as on 20th calendar day from listing date and 30th calendar day from listing date is not available.

2. Summary statement of price information of past issues handled by Axis

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			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%
2015-2016	1	10,205.4	0	0	0	0	1	0	-	-	-	-	-	-
2014-2015	1	3,504.30	0	0	1	0	0	0	0	1	0	0	0	0
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	4	46,167.30	0	0	3	0	0	1	0	0	2	0	0	2

Note: In the event that any day falls on a holiday, the price/ index of the next trading day has been considered. The information for each of the financial years is based on issues listed during such financial year.

B. Credit Suisse

1. Price information of past issues handled by Credit Suisse

Sl. No.	Issue Name	Issue size (INR)	Issue price (INR)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar day from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar day from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar day from listing day (Closing)
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Credit Suisse

Financial Year	Total No. of IPOs	Total Funds Raised (INR)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			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%
2015-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C. Jefferies

1. Price information of past issues handled by Jefferies

Sr No	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10 th calendar day from listing day	Benchmark index as on 10 th calendar days from listing day (Closing)	Closing price as on 20 th calendar day from listing day	Benchmark index as on 20 th calendar days from listing day (Closing)	Closing price as on 30 th calendar day from listing day	Benchmark index as on 30 th calendar days from listing day (Closing)
1.	-	-	-	-	-	-	-	-	-	-	-	-	-	-

2. Summary statement of price information of past issues handled by Jefferies

Financial Year	Total No. of IPOs	Total Funds Raised (₹ Million)	No. of IPOs trading at discount		No. of IPOs trading at premium		No. of IPOs trading at discount as on 30 th calendar day from listing day			No. of IPOs trading at premium as on 30 th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	-	-	-	-	-	-	-	-	-	-	-	-
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-
2013-2014	-	-	-	-	-	-	-	-	-	-	-	-
2012-2013	-	-	-	-	-	-	-	-	-	-	-	-

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs as set forth in the table below:

Sl. No	Name of the BRLMs	Website
1.	Axis	http://www.axiscapital.co.in
2.	Credit Suisse	http://www.credit-suisse.com
3.	Jefferies	http://www.jefferies.com

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Banker/ lenders to our Company, the BRLMs, the Syndicate Members, the Escrow Collection Banks, Refund Bankers and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Company has received written consent from the Statutory Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the Auditors dated April 1, 2015 on the Restated Financial Statements, and the statement of tax benefits dated April 1, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Expert to the Offer

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

Our Company has received written consent from the Statutory Auditors namely, S.R. Batliboi & Associates LLP, Chartered Accountants to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an “Expert” defined under Section 2(38) of the Companies Act, 2013 in respect of the report of the Auditors dated April 1, 2015 on the Restated Financial Statements, and the statement of tax benefits dated April 1, 2015 included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “Objects of the Offer” on page 87.

All expenses with respect to the Offer will be borne by the Selling Shareholder.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission, selling commission and reimbursement of their out-of-pocket expense) will be as per the engagement letter dated April 10, 2015 with the BRLMs.

Commission payable to the Registered Brokers

For details of the commission payable to the Registered Brokers, see “Objects of the Offer” on page 87.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/ CAN/ refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated April 13, 2015 entered into, between our Company, the Selling Shareholder and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red

Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in “Capital Structure” on page 68, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Previous capital issue during the previous three years by listed Group Entities and Associates of our Company

None of our Group Entities and Associates of our Company have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Entities and Associates of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Entities and Associates of our Company have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

There are no outstanding preference shares as on the date of this Draft Red Herring Prospectus.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholder provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances relating to the non-ASBA process may be addressed to the Registrar to the Offer, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, amount paid on application, date of Bid cum Application Form and the name and address of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Offer with a copy to the relevant SCSB and the Syndicate Members at the Specified Locations or the Registered Brokers at the Broker Centres with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres where the Bid cum Application Form was submitted by the ASBA Bidder.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the SCSB in case of ASBA Bidders, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising JRF Walls (Chairman), CL Cooney, DM Bradbury, PF Blackburn and CP Rosenberg as members. For details, see "Our Management" on page 146.

Our Company has also appointed Mayank Verma, Company Secretary of our Company as the Compliance Officer for the Offer and he may be contacted in case of any pre-Offer or post-Offer related problems at the following address:

Biocon SEZ, Biocon Park
Plot No. 2 & 3, Bommasandra Industrial Area IV Phase
Jigani Link Road, Bommasandra
Bangalore 560 099
Karnataka, India
Tel: (+91 80) 2808 2808
Fax: (+91 80) 2808 3189
E-mail: investor@syngeneintl.com

There have been no investor grievances received by our Company for the three years prior to the filing of this Draft Red Herring Prospectus. There are no investor grievances pending as on the date of this Draft Red Herring Prospectus.

Mechanism for redressal of investor grievances of Biocon

All share related matters, namely transfer, transmission, transposition, dividend, change of name, address and signature of mandate and power of attorney, replacement, split, consolidation, demat and remat of shares, issue of duplicate certificates etc. are handled by Biocon's registrar and transfer agent ("RTA") being Karvy Computershare Private Limited.

Investors correspond with RTA and Biocon, on all share related matters. Biocon has an established mechanism for handling investor services and grievances with the RTA. Further, the investors can also write to the Compliance Officer and investor relations department of the Company. The board of directors of Biocon has constituted a Stakeholders Relationship Committee which, *inter alia*, approves transfer and transmission of shares, issue of duplicate share certificates, rematerialisation of shares and oversees and reviews all matters connected with securities transfers and other processes. The committee also looks into redressal of all stakeholders' complaints related to transfer of shares, non-receipt of dividend etc. The committee oversees performance of RTA and recommends measures for overall improvement in the quality of investor services. The following are the details of the investor grievances received and redressed by Biocon in the last three Financial Years prior to the filing of the Draft Red Herring Prospectus:

Financial Year ended March 31,	Investor Grievances at the start of the Financial Year	Investor Grievances received during the Financial Year	Investor Grievances resolved during the Financial Year	Investor Grievances pending at the end of the Financial Year
2015	-	31	31	-
2014	2	66	68	-
2013	-	99	97	2

After March 31, 2015, Biocon had received two investor grievances which were resolved. As at the date of the Draft Red Herring Prospectus there are nil outstanding investor grievances.

Changes in Auditors

Our Company has not changed its auditors in the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in “Capital Structure” on page 68.

Revaluation of Assets

Our Company has not re-valued its assets since its incorporation.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and 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 and sale 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 RBI, the Government of India, the Stock Exchanges, the RoC and/ or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises as Offer for Sale by the Selling Shareholder. All expenses with respect to the Offer will be borne by the Selling Shareholder.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. 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. For further details, see the “Main Provisions of Articles of Association” on page 318.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum of Association and Articles of Association and provisions of the Equity Listing Agreement to be entered into with the Stock Exchanges. For further details in relation to dividends, see “Dividend Policy” and “Main Provisions of the Articles of Association” on pages 174 and 318, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is [●] times the face value and at the higher end of the Price Band is [●] times the face value. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band, the Retail Discount and the minimum Bid Lot size for the Offer will be decided by our Company and the Selling Shareholder in consultation with the BRLMs and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Kannada newspaper [●], each with wide circulation, at least five 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 at the websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with SEBI ICDR Regulations

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Retail Discount

Our Company and the Selling Shareholder in consultation with the BRLMs, may offer a discount of up to [●]% (equivalent to [●]) to the Offer Price to Retail Individual Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion (subject to the Bid Amount being upto ₹200,000 net of Retail Discount).

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Equity shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- 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 terms of the Equity Listing Agreements with the Stock Exchange(s) and the Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, see the “Main Provisions of Articles of Association” on page 318.

Market Lot and Trading Lot

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. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated October 1, 2014 among NSDL, our Company and the Registrar to the Offer;
- Agreement dated April 7, 2015 among CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/ authorities in Bengaluru, India.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, 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 the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 and the rules thereunder, 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 nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation or variation to our Company in the prescribed form.

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, interests, bonuses or other moneys 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 form 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.

Minimum Subscription

The requirement for 90% minimum subscription in terms of Regulation 14 of the ICDR Regulations is not applicable to the Offer. However, in terms of Rule 19(2)(b)(iii) of the SCRR, our Company is required to Allot Equity Shares constituting at least 10% of the post-Offer share capital of our Company. If such minimum Allotment is not made, the entire subscription amount shall be refunded. Further, pursuant to Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted shall not be less than 1,000.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoter's minimum contribution (except for the Equity Shares forming part of the Offer for Sale) and the Anchor Investor lock-in as provided in "Capital Structure" on page 68 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/ splitting, except as provided in the Articles of Association. For details, see the "Main Provisions of Articles of Association" on page 318.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be Allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form.

OFFER STRUCTURE

The Offer of upto 22,000,000 Equity Shares of face value ₹10 each, at an Offer Price of ₹[●] for cash, including a premium of ₹[●] per Equity Share, aggregating ₹[●] million, through an Offer for Sale by the Selling Shareholder, being made through the Book Building Process. The Offer includes a reservation of 2,000,000 Equity Shares for subscription by the Biocon Shareholders under the Biocon Shareholders Reservation Portion for cash at a price of ₹[●], including a premium of ₹[●] per Equity Share, aggregating ₹[●] million. The Offer will constitute 11.0% of the post-Offer equity share capital of our Company and the Net Offer will constitute 10.0% of the post-Offer 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	Biocon Shareholders Reservation Portion
Number of Equity Shares available for Allotment/ allocation ⁽²⁾	10,000,000 Equity Shares or Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 3,000,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Bidders	Not less than 7,000,000 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders	Upto 2,000,000 Equity Shares
Percentage of Offer Size available for Allotment/ allocation	50% of the Net Offer size shall be available for allocation to QIBs. However, up to 5 % of the net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion	Not less than 15% of the Net Offer	Not less than 35% of the Net Offer	Upto 1.0% of the post Offer capital of our Company
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 200,000 Equity Shares shall be available for allocated on a proportionate basis to Mutual Funds only; and (b) 10,000,000 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	In the event, the Bids received from Retail Individual Investors exceeds 7,000,000 Equity Shares, then the maximum number of Retail Individual Bidders who can be allocated/ Allotted the minimum Bid Lot will be computed by dividing the total number of the Equity Shares available for allocation/ Allotment to Retail Individual Bidders by the minimum Bid Lot ("Maximum RIB Allottees"). The allocation/ Allotment to Retail Individual Bidders will then be made in the following	Proportionate

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Biocon Shareholders Reservation Portion
			<p>manner:</p> <ul style="list-style-type: none"> In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) Retail Individual Bidders shall be allocated the minimum Bid Lot; and (ii) the balance Equity Shares, if any, remaining in the Retail Category shall be allocated on a proportionate basis to the Retail Individual Bidders who have received allocation as per (i) above for less than the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot) In the event the number of Retail Individual Bidders who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the Retail Individual Bidders (in that category) who will then be allocated minimum Bid Lot shall be determined on draw of lots basis <p>For details, see “Offer Procedure” on page 265</p>	
Mode of Bidding	ASBA only ⁽³⁾	ASBA only	ASBA and non-ASBA	ASBA only in case the Bid Amounts by the Biocon Shareholders are more than ₹200,000

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Biocon Shareholders Reservation Portion
				ASBA and non-ASBA in case the Bid Amounts by the Biocon Shareholders are upto ₹200,000
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter subject to availability in the Retail Portion	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can apply ⁽⁴⁾	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III foreign portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDA, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, Category III foreign portfolio investors	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)	Individuals and HUFs who are equity shareholders of the Promoter, Biocon (excluding such other persons not eligible under applicable laws, rules, regulations and guidelines)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders	Biocon Shareholders Reservation Portion
	Department of Posts, India			
Terms of Payment	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form (including for Anchor Investors) ⁽⁵⁾⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form ⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form ⁽⁶⁾	Full Bid Amount shall be payable at the time of submission of the Bid cum Application Form ⁽⁴⁾⁽⁶⁾⁽⁷⁾

- (1) Our Company and the Selling Shareholder may in consultation with the BRLMs allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 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 at which allocation is being made to other Anchor Investors. For details, see "Offer Procedure" on page 265.
- (2) Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b)(iii) of the SCRR and under the SEBI ICDR Regulations. This Offer will be made through the Book Building Process wherein 50% of the Net Offer will be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the Selling Shareholder and the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. 5% of the net QIB Category (excluding the Anchor Investor Portion), shall be available for allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors) including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer will be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
- (3) Anchor Investors are not permitted to use the ASBA process.
- (4) In 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. Further, a Bidder Bidding in the Biocon Shareholders Reservation Portion (subject to the Payment Amount being up to ₹200,000) can also Bid under the Net Issue and such Bids will not be treated as multiple Bids. To clarify, a Biocon Shareholder Bidding in the Biocon Shareholders Reservation Portion above ₹200,000 cannot Bid in the Net Offer as such Bids will be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (5) The entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, shall be paid within the two Working Days of the Bid/ Offer Closing Date.
- (6) In case of ASBA Bidders, the SCSBs shall be authorised to block such funds in the ASBA Account of the Bidder that are specified in the Bid cum Application Form. It is mandatory for all QIBs (except Anchor Investors), Non-Institutional Bidders and Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 to participate in the Offer through the ASBA process.
- (7) Under-subscription, if any, in any category including the Biocon Shareholders Reservation Portion, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the Biocon Shareholders Reservation Portion shall be added back to the Net Offer to the public portion. In case of under-subscription in the Net Offer to the public portion, spill-over to the extent of under-subscription shall be permitted from the Biocon Shareholders Reservation Portion.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right not to proceed with the Offer at any time after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the Stock Exchanges on which Equity Shares are proposed to be listed about such development.

If our Company and the Selling Shareholder withdraw the Offer after the Bid/ Offer Closing Date and thereafter determine that they will proceed with an issue/ offer for sale 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 within 12 Working Days of the Bid / Offer Closing Date, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

Bid/ Offer Programme

BID/ OFFER OPENS ON	<input type="checkbox"/> (1)
BID/ OFFER CLOSES ON (FOR QIBs)	<input type="checkbox"/> (2)
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	<input type="checkbox"/>

- (1) Our Company may, in consultation with the Selling Shareholder and the BRLMs, 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 may, in consultation with the Selling Shareholder and the BRLMs, 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
Bid/ Offer Closing Date	<input type="checkbox"/>
Finalisation of Basis of Allotment with the Designated Stock Exchange	<input type="checkbox"/>
Initiation of refunds	<input type="checkbox"/>
Credit of Equity Shares to demat accounts of Allottees	<input type="checkbox"/>
Commencement of trading of the Equity Shares on the Stock Exchanges	<input type="checkbox"/>

The above timetable, other than the Bid/Offer Opening Date and the Bid/Offer Closing Date, is indicative and does not constitute any obligation or liability on our Company or the Selling Shareholder or the members of the Syndicate.

While our Company and the Selling Shareholder 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 12 Working Days of the Bid/ Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholder, 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. The Selling Shareholder confirms that it shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares (offered by the Selling Shareholder in the Offer for Sale) at all Stock Exchanges within 12 Working Days from the Bid/ Offer Closing Date.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”) during the Bid/ Offer Period (except the Bid/ Offer Closing Date) at the Bidding centres and the Designated Branches mentioned on the Bid cum Application Form or by members of the Syndicate at the Specified Locations or by the Registered Brokers at the Broker Centres

On the Bid/ Offer Closing Date, the Bids and any revision in the Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. IST and shall be uploaded until (i) 4.00 p.m. IST in case of Bids by Non-Institutional Investors and Biocon Shareholders bidding under the Biocon Shareholders Reservation Portion; (ii) until 5.00 p.m. IST; and (iii) 5.00 p.m. IST, in case of Bids by QIBs in the event the Bid/Offer Period for QIBs is closed one Working Day prior to the Bid/Offer Closing Date, or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors after taking into account the total number of applications received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by BRLMs to the Stock Exchanges within half an hour of such closure.

It is clarified that Bids not uploaded on the electronic bidding system 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 and, in any case, no later than 1.00 p.m. IST on

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, as is typically experienced in public offerings, 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 on Working Days i.e. Monday to Friday (excluding any public holiday). Bids by the ASBA Bidders shall be uploaded in the electronic system to be provided by the stock exchanges either by (a) a member of the Syndicate, (b) an SCSB, or (c) a Registered Broker. None among our Company, the Selling Shareholder or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/ hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Offer shall ask for rectified data from the SCSB.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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. 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 websites of the BRLMs and the terminals of the other members of the Syndicate Members.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under “Part B – 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. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations including reference to the SEBI FPI Regulations and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also 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.

Our Company, the Selling Shareholder 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 this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Net Offer shall be Allotted to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, up to 2,000,000 Equity Shares shall be available for allocation to the Biocon Shareholders, 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 a combination of categories at the discretion of our Company in consultation with the Selling Shareholder, BRLMs and the Designated Stock Exchange. The unsubscribed portion if any, in the Biocon Shareholders Reservation Portion shall be added back to the Net Offer to the public portion. In case of under-subscription in the Net Offer to the public portion, spill-over to the extent of under-subscription shall be permitted from the Biocon Shareholders Reservation Portion.

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 and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Please note that there is a common Bid cum Application Form for ASBA Bidders as well as for non-ASBA Bidders. Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLMs, the Syndicate Members, the Registered Brokers at the Registered Centres, the SCSBs and the Registered and Corporate Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the SCSBs, the NSE (www.nseindia.com), the BSE (www.bseindia.com) and the terminals of the Registered Brokers at least one day prior to the Bid/Offer opening date. Physical Bid cum Application Forms for Anchor Investors shall be made available at the offices of the BRLMs.

QIBs (other than Anchor Investors), Non-Institutional Bidders and Biocon Shareholders under the Biocon

Shareholders Reservation Portion for a Bid Amount of above ₹200,000 shall mandatorily participate in the Offer only through the ASBA process. Retail Individual Investors can participate in the Offer through the ASBA process as well as the non-ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders must provide bank account details in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain such details are liable to be rejected. In relation to non-ASBA Bidders, the bank account details shall be available from the depository account on the basis of the DP ID, Client ID and PAN provided by the non-ASBA Bidders in their Bid cum Application Form.

Bidders shall ensure that the Bids are made on Bid cum Application Forms bearing the stamp of a Syndicate Member or the Registered Broker or the SCSBs, as the case may be, submitted at the Bidding centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

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 and Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion on a non-repatriation basis	Pink
Biocon Shareholders Bidding under the Biocon Shareholders Reservation Portion on a repatriation basis	Pink
Anchor Investors	White

*Excluding electronic Bid cum Application Form

Who can Bid?

In addition to the category of Bidders set forth under the “General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue” on page 282, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- Category III foreign portfolio investors, which are foreign corporates or foreign individuals only under the Non-Institutional Investors category;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares; and
- Any other persons eligible to Bid in this Offer under the laws, rules, regulations, guidelines and policies applicable to them.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, 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 the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Participation by associates and affiliates of 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 purchase Equity Shares in the Net Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including 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.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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.

One-third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

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 net asset value 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

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their NRE Account or FCNR Account, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour), accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE Account or FCNR Account, as the case may be. Payment for Bids by non-resident Bidders Bidding on a repatriation basis will not be accepted out of NRO Accounts.

Eligible NRIs Bidding on non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE/ FCNR Accounts as well as the NRO Account. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for Residents (white in colour).

Bids by FPIs (including FIIs)

On January 7, 2014, SEBI notified the SEBI FPI Regulations pursuant to which the existing classes of portfolio investors namely 'foreign institutional investors' and 'qualified foreign investors' will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. On March 13, 2014, the RBI amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company are 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, 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 that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by Anchor Investors

Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider participation by Anchor Investors in the Net Offer for up to 60% of the QIB Portion in accordance with the SEBI ICDR Regulations. Only QIBs as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not otherwise excluded pursuant to Schedule XI of the SEBI ICDR Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- (i) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.
- (ii) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.
- (iii) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- (iv) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and be completed on the same day.
- (v) Our Company and the Selling Shareholder in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:
 - (a) maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million;
 - (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and
 - (c) minimum of five and maximum of 25 Anchor Investors, where the allocation under the

Anchor Investor Portion is more than ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor.

- (vi) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Offer Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchange.
- (vii) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- (viii) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days from the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.
- (ix) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.
- (x) The BRLMs, our Promoter, Promoter Group, Group Entities or any person related to them will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection by SEBI.
- (xi) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- (xii) For more information, see “Offer Procedure - Part B: General Information Document for Investing in Public Issues - Section 7: Allotment Procedure and Basis of Allotment – Allotment to Anchor Investor” on page 307.
- (xiii) Anchor Investors are not permitted to Bid in the Offer through the ASBA process.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations, *inter alia*, prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The 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 venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation 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 AIF Regulation.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements provided that the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act,

2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with 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 and the Selling Shareholder reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "**Banking Regulation Act**"), and the Master Circular dated July 1, 2014 – Para-banking Activities, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the investment in a non-financial services company by a banking company together with its subsidiaries, associates, joint ventures, entities directly or indirectly controlled by the bank and mutual funds managed by asset management companies controlled by the banking company cannot exceed 20% of the investee company's paid-up share capital. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder 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 (Investment) Regulations, 2000 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;
- (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 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 belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer 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.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars 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 ASBA applications.

Bids under Power of Attorney

In case of Bids pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FPIs, FIIs, 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 and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid cum Application Form.

Our Company, the Selling Shareholder and 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 such terms and conditions that our Company, the Selling Shareholder and the BRLMs may deem fit.

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 and the Selling Shareholder reserves the right to reject any Bid, without assigning any reason thereof.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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 this Draft Red Herring 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;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
5. Ensure that the Bids are submitted at the Bidding centres only on forms bearing the stamp of the Syndicate Member or the Registered Broker or a SCSB (except in case of electronic forms);
6. In relation to the ASBA Bids, ensure that your Bid cum Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Syndicate in the Specified Locations or with a Registered Broker at the Broker Centres, and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB) or to our Company or the Selling Shareholder or the Registrar to the Offer;
7. With respect to the ASBA Bids, ensure that the Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. QIBs (other than Anchor Investors), Non-Institutional Investors and Biocon Shareholders bidding under the Biocon Shareholders Reservation Portion for a Bid Amount of above ₹200,000 should submit

their Bids through the ASBA process only;

9. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form and a Transaction Registration Slip for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs or the Registered Broker (at the Broker Centres);
12. Ensure that you have funds equal to the Bid Amount in your bank account before submitting the Bid cum Application Form under non-ASBA process to the Syndicate or the Registered Brokers;
13. With respect to non-ASBA Bids, ensure that the full Bid Amount is paid for the Bids and with respect to ASBA Bids, ensure funds equivalent to the Bid Amount are blocked;
14. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process;
15. Submit revised Bids to the same member of the Syndicate, SCSB or Registered Broker, as applicable, through whom the original Bid was placed and obtain a revised Transaction Registration Slip;
16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) 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;
17. Ensure that the demographic details are updated, true and correct in all respects;
18. 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;
19. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
20. 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;
21. Ensure that the category and sub-category is indicated;
22. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
23. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
24. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate, the SCSBs or the Registered Brokers, as the case may be, match with the DP ID, Client ID and PAN available in the

Depository database;

25. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the Syndicate Members, the SCSBs or the Registered Brokers, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
26. Ensure that you tick the correct investor category, as applicable, in the Bid cum Application Form to ensure proper upload of your Bid in the online IPO system of the Stock Exchanges;
27. In relation to the ASBA Bids, ensure that you use the Bid cum Application Form bearing the stamp of the Syndicate (in the Specified Locations) and/ or relevant SCSB and/ or the Designated Branch and/ or the Registered Broker at the Broker Centres (except in case of electronic forms);
28. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
29. ASBA Bidders Bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only in the Specified Locations and that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>). ASBA Bidders Bidding through a Registered Broker should ensure that the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms;
30. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
31. Ensure that the entire Bid Amount is paid at the time of submission of the Bid or in relation to the ASBA Bids, ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form;
32. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB or from the member of the Syndicate in the Specified Locations or from the Registered Broker at the Broker Centres, as the case may be, for the submission of your Bid cum Application Form; and
33. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs for a Bid Amount of up to ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate, the SCSBs or the Registered Brokers, as applicable;
4. Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

5. If you are an ASBA Bidder, the payment of the Bid Amount in any mode other than blocked amounts in the bank account maintained with an SCSB shall not be accepted under the ASBA process;
6. Do not send Bid cum Application Forms by post; instead submit the same to the Syndicate, the SCSBs or the Registered Brokers only;
7. Do not submit the Bid cum Application Forms to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB), our Company, the Selling Shareholder or the Registrar to the Offer;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the Syndicate, the Registered Brokers or the SCSBs;
9. Anchor Investors should not Bid through the ASBA process;
10. Do not Bid at Cut-off Price (for Bids by QIBs, Non-Institutional Investors and Biocon Shareholders);
11. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);
12. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
13. Do not submit the General Index Register number instead of the PAN;
14. In case you are a Bidder other than an ASBA Bidder, do not submit the Bid without payment of the entire Bid Amount. In case you are an ASBA Bidder, do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
15. Do not submit incorrect details of the DP ID, Client ID and PAN 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 Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
17. 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;
18. If you are a QIB, do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date for QIBs;
19. If you are a Non-Institutional Investor, Retail Individual Investor or a Biocon Shareholder, do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date;
20. 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);
21. 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 Investor;
22. In case of ASBA Bidders, do not submit more than five Bid cum Application Forms per ASBA Account;
23. Do not submit ASBA Bids to a member of the Syndicate at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres;
24. Do not submit ASBA Bids to a member of the Syndicate in the Specified Locations unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in the relevant Specified Location, for the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>); and

25. Do not submit ASBA Bids to a Registered Broker unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Registered Broker to deposit the Bid cum Application Forms.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment instructions

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, non-CTS cheques are processed in three CTS centres in a separate clearing session. This separate clearing session will operate once a week from November 1, 2014 onwards. In order to enable listing and trading of Equity Shares within 12 Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/ Offer Closing Date.

Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit MICR code are liable to be rejected.

Payment into Escrow Account for non-ASBA Bidders

The payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Retail Individual Investors: “[●]”
- (b) In case of resident Biocon Shareholders: “[●]”
- (c) In case of Non-Resident Retail Individual Investors: “[●]”
- (d) In case of Non-Resident Biocon Shareholders: “[●]”

For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of Resident Anchor Investors: “[●]”
- (b) In case of Non-Resident Anchor Investors: “[●]”

Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to the Offer to facilitate collections from the Bidders.

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] edition of Hindi national newspaper [●]; and (iii) [●] edition of Kannada newspaper [●], each with wide circulation. In the pre-Offer advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid 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 XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholder and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.
- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which 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.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- if our Company or the Selling Shareholder do not proceed with the Offer after the Bid/ Offer Closing Date the reason thereof shall be given as a public notice to be issued by our Company within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- if our Company and the Selling Shareholder withdraw the Offer after the Bid/ Offer Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company and/ or the Selling Shareholder subsequently decide to proceed with the Offer;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/ Offer Closing Date;
- the Allotment letters will be issued or the application money will be refunded within 15 days from the Bid/ Offer Closing Date or such lesser time as specified by SEBI, or the application money will be refunded to the Bidders forthwith, failing which, interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- no further Offer of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription, etc.; and
- adequate arrangements shall be made to collect all Bid cum Application Forms by ASBA Bidders and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment.

Undertakings by the Selling Shareholder

The Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;
- it is the legal and beneficial owner of, and has full clear and marketable title to, the Equity Shares being sold in the Offer;
- the Equity Shares being sold by it 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 and shall be transferred to the eligible investors within the time specified under applicable law;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer. The Selling Shareholder has authorised the compliance officer and the Registrar to the Offer to redress such investor grievances;
- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Offer by the Selling Shareholder;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/ Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- it shall not have recourse to the proceeds of the Offer until final approval for listing and trading of the Equity Shares from all Stock Exchanges where listing and trading is sought has been received;
- if the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the BRLMs in this regard;
- it shall not further transfer the Equity Shares offered in the Offer except in the Offer during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and
- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer.

Utilisation of Offer Proceeds

The Selling Shareholder declares that all monies received out of the Offer for Sale 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. The Selling Shareholder shall not have recourse to the proceeds of the Offer until the final listing and trading approvals from all the Stock Exchanges have been obtained.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/ Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/ Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/ Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/ Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/ Applicants should note that investment in equity and equity related securities involves risk and Bidder/ Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/ or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“RHP”)/ Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/ Applicants should carefully read the entire RHP/ Prospectus and the Bid cum Application Form/ Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/ or overlap between the disclosure included in this document and the RHP/ Prospectus, the disclosures in the RHP/ Prospectus shall prevail. The RHP/ Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/ Applicants may refer to the section “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/ FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the

SEBI ICDR Regulations, 2009, the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/ Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

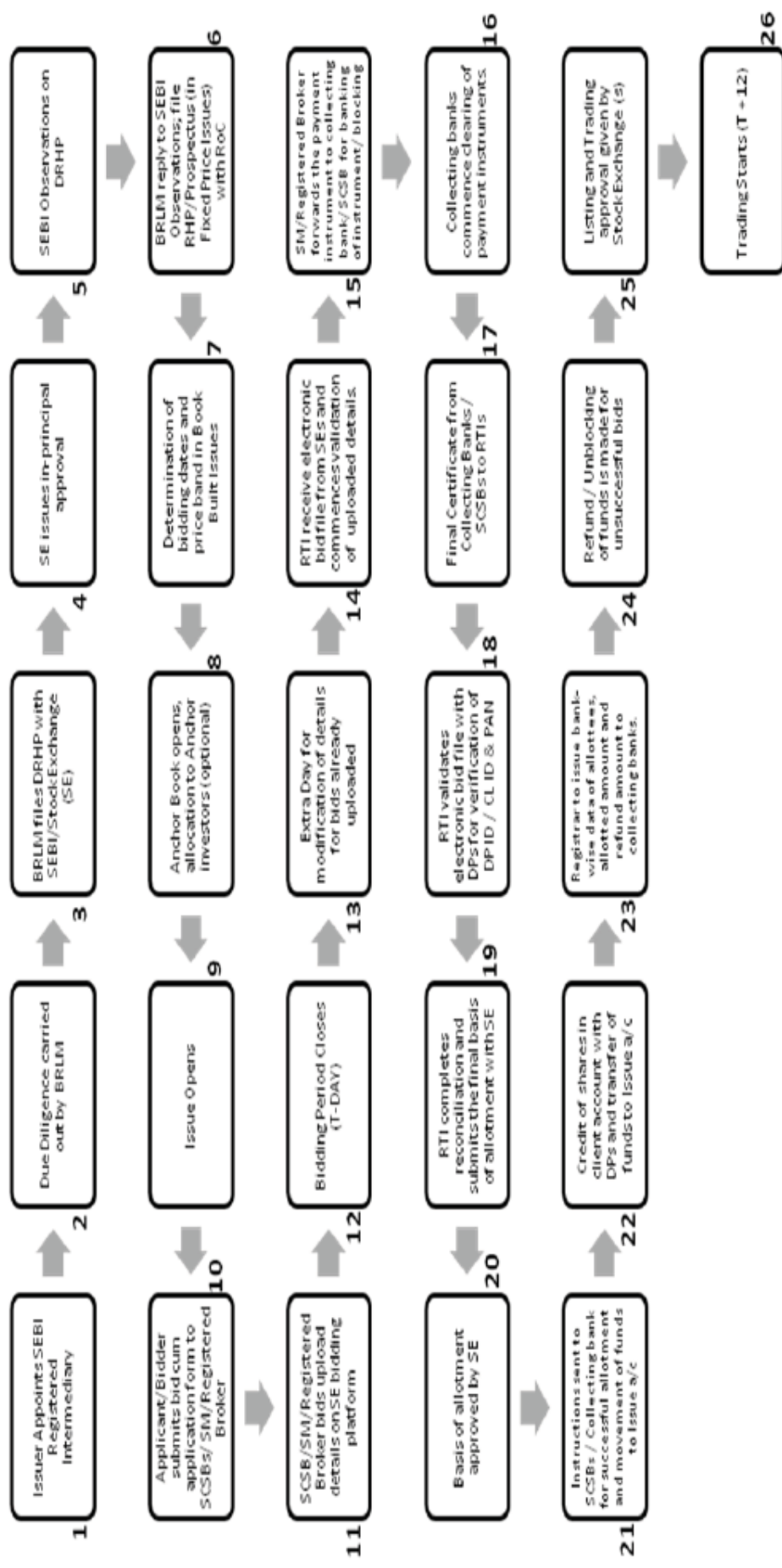
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/ Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/ Prospectus for details of the Bid/ Offer Period. Details of Bid/ Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/ Issue Period may be extended by at least three Working Days, subject to the total Bid/ Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/ Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
 - iii. Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
 - iv. Step 12: Offer period closes
 - v. Step 15: Not Applicable



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/ Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/ Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/ Prospectus for more details.

Subject to the above, an illustrative list of Bidders/ Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/ Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ Application Form as follows: “Name of sole or first Bidder/ Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/ Applications by HUFs may be considered at par with Bids/ Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/ societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/ societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/ Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/ Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the Registered and Corporate Office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/ Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/ Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/ Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo To, The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE Bid cum Application Form No. _____

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms. _____

Address _____

Email _____

Tel. No (with STD code) / Mobile _____

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)												"Cut-off" (Please tick)			
		Bid Price			Discount, if any			Net Price									
		7	6	5	4	3	2	1	4	3	2	1	4	3	2	1	
Option 1																	<input type="checkbox"/>
(OR) Option 2																	<input type="checkbox"/>
(OR) Option 3																	<input type="checkbox"/>

5. Category

☐ Retail Individual

☐ Non-Institutional

☐ QIB

6. Investor Status

☐ Individual(s) - IND

☐ Hindu Undivided Family* - HUF

☐ Bodies Corporate - CO

☐ Banks & Financial Institutions - FI

☐ Mutual Funds - MF

☐ Non-Resident Indians - NRI (Non-Repatriation basis)

☐ National Investment Fund - NIF

☐ Insurance Funds - IF

☐ Insurance Companies - IC

☐ Venture Capital Funds - VC

☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

Amount Paid (₹ in figures) _____ (₹ in words) _____

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. _____ Dated DD MM YY

Drawn on (Bank Name & Branch) _____

☐ (B) ASBA

Bank A/c No. _____

Bank Name & Branch _____

8. SIGNATURE OF SOLE / FIRST APPLICANT

Date: _____, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue

1) _____

2) _____

3) _____

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No. _____

DPID / CLID _____ PAN _____

Amount Paid (₹ in figures) _____ Bank & Branch _____

Cheque / DD/ASBA Bank A/c No. _____

Received from Mr./Ms. _____

Telephone / Mobile _____ Email _____

Stamp & Signature of Banker

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			
Cheque / DD/ASBA Bank A/c No.			
Bank & Branch			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No. _____

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - NR		FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS	
Logo		To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018	
				Bid cum Application Form No. _____	
SYNDICATE MEMBER'S STAMP & CODE		BROKER'S/AGENT'S STAMP & CODE		1. NAME & CONTACT DETAILS of Sole / First Applicant	
				Mr. / Ms. _____	
				Address _____	
				Tel. No (with STD code) / Mobile _____	
BANK BRANCH SERIAL NO.		REGISTRAR'S / SCSEB SERIAL NO.		2. PAN OF SOLE / FIRST APPLICANT	
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				6. Investor Status	
				<input type="checkbox"/> NRI Non-Resident Indian (Repatriation basis)	
				<input type="checkbox"/> FII Foreign Institutional Investor	
				<input type="checkbox"/> FVCI Foreign Venture Capital Investor	
				<input type="checkbox"/> FIISA FII Sub Account Corporate / Individual	
				<input type="checkbox"/> OTH Others (Please Specify) _____	
4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")					
For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID					
5. Category					
<input type="checkbox"/> Retail Individual					
<input type="checkbox"/> Non-Institutional					
<input type="checkbox"/> QIB					
7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)					
Amount Paid (₹ in figures) _____ (₹ in words) _____					
<input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD)					
Cheque/DD No. _____ Dated _____					
Drawn on (Bank Name & Branch) _____					
<input type="checkbox"/> (B) ASBA					
Bank A/c No. _____					
Bank Name & Branch _____					
8A. SIGNATURE OF SOLE/ FIRST APPLICANT					
Date: _____, 2011					
8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (For ASBA option ONLY)					
I/We authorize the SCSEB to do all acts as are necessary to make the Application in the issue					
1) _____					
2) _____					
3) _____					
BROKER'S / SCSEB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)					
TEAR HERE					
XYZ LIMITED		Acknowledgement Slip for Syndicate Member / SCSEB		Bid cum Application Form No. _____	
DPID / CLID _____		PAN _____			
Amount Paid (₹ in figures) _____		Bank & Branch _____		Stamp & Signature of Banker	
Cheque / DD/ASBA Bank A/c No. _____					
Received from Mr./Ms. _____					
Telephone / Mobile _____		Email _____			
TEAR HERE					
XYZ LIMITED		Stamp & Signature of Syndicate Member / SCSEB		Name of Sole / First Applicant	
No. of Equity Shares		Option 1		Option 2	
Bid Price		Option 3			
Amount Paid (₹)					
Cheque / DD/ASBA Bank A/c No. _____					
Bank & Branch _____					
Acknowledgement Slip for Bidder					
Bid cum Application Form No. _____					

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/ FIRST BIDDER/ APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/ Applicants should note that the name and address fields are compulsory and e-mail and/ or telephone number/mobile number fields are optional. Bidders/ Applicants should note that the contact details mentioned in the Bid cum Application Form/ Application Form may be used to dispatch communications (including refund orders and

letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

- (c) **Joint Bids/Applications:** In the case of Joint Bids/ Applications, the Bids/ Applications should be made in the name of the Bidder/ Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/ Applicant would be required in the Bid cum Application Form/ Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the demographic details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (e) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (f) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/ FIRST BIDDER/ APPLICANT**

- (a) PAN (of the sole/ first Bidder/ Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/ Applications by officials appointed by the courts and Bids/ Applications by Bidders/ Applicants residing in Sikkim (“PAN Exempted Bidders/ Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/ Applicants, are required to disclose their PAN in the Bid cum Application Form/ Application Form, irrespective of the Bid/ Application Amount. A Bid cum Application Form/ Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/ Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

- (c) The exemption for the PAN Exempted Bidders/Applicants 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.
- (d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.3 FIELD NUMBER 3: BIDDERS/ APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/ Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Offer. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/ RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details Bidders may refer to (Section 5.6 (e))
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum

application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.
- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/ Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.
- (e) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after Bidding and are required to pay the Bid Amount upon submission of the Bid.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. 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 at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount

may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.4.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

- (b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

- i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
- ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (c) The following Bids may not be treated as multiple Bids:

- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
- ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
- iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
- iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 FIELD NUMBER 5 : CATEGORY OF BIDDERS

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, NIIs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/ Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/ Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/ Applicants may refer to the RHP/ Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/ Applicant may refer to the

RHP/Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- (a) Each Bidder/ Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/ Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/ Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/ Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/ Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- (a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/ Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) Bidders who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.
- (c) QIBs and NIIs can participate in the Offer only through the ASBA mechanism.
- (d) RIIs and/ or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 Instructions for non-ASBA Bidders:

- (a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.
- (b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/ Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.
- (c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.
- (d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

- (e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.
- (g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 Payment instructions for ASBA Bidders

- (a) ASBA Bidders may submit the Bid cum Application Form either
 - i. in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or
 - ii. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - iii. in physical mode to a member of the Syndicate at the Specified Locations, or
 - iv. Registered Brokers of the Stock Exchange
- (b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) **ASBA Bidders Bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the Syndicate at the Specified Locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) **ASBA Bidders Bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.
- (h) **ASBA Bidders Bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

- (i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.
- (l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.
- (n) SCSBs Bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Offer Closing Date.

4.1.7.3 Additional Payment Instructions for NRIs

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/ Prospectus.

- (c) The Bidders entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- (a) Only the First Bidder/ Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/ Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/ Applicant., then the Signature of the ASBA Account holder(s) is also required.
- (c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/ undertaking box in the Bid cum Application Form/ Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/ Applicants must note that Bid cum Application Form/ Application Form without signature of Bidder/ Applicant and/ or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

- (a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.
- (b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.
- (c) All communications in connection with Bids/ Applications made in the Offer should be addressed as under:
- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, refund orders, the Bidders/ Applicants should contact the Registrar to the Offer.
 - ii. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/ Applicants should contact the relevant Designated Branch of the SCSB.
 - iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/ Applicants should contact the relevant Syndicate Member.
 - iv. In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/ Applicants should contact the relevant Registered Broker
 - v. Bidder/ Applicant may contact our Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.
- (d) The following details (as applicable) should be quoted while making any queries -
- i. full name of the sole or First Bidder/ Applicant, Bid cum Application Form number, Applicants'/ Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application;
 - ii. name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted; or

- iii. In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof;
- iv. In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/ Applicant may refer to the RHP/ Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/ Offer Period, any Bidder/ Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RII may revise their bids till closure of the Bidding period or withdraw their bids until finalization of Allotment.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/ Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/ Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/ Applicant had placed the original Bid. Bidders/ Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM FOR ASBA / NON-ASBA		XYZ LIMITED - PUBLIC ISSUE - R		FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS																																																												
Logo To, The Board of Directors XYZ Limited		BOOK BUILDING ISSUE INE523L01018		Bid cum Application Form No.																																																												
SYNDICATE MEMBERS' STAMP & CODE ESCROW BANK / SCSB BRANCH STAMP & CODE BANK BRANCH SERIAL NO.		BROKER'S / AGENT'S STAMP & CODE SUB-BROKER'S / SUB-AGENT'S STAMP & CODE REGISTRAR'S / SCSB SERIAL NO.		1. NAME & CONTACT DETAILS of Sole / First Applicant Mr. / Ms. _____ Tel. No (with STD code) / Mobile _____ 2. PAN OF SOLE / FIRST APPLICANT _____ 3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL _____ <small>For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID</small>																																																												
PLEASE CHANGE MY BID																																																																
4. FROM (as per last Bid or Revision)																																																																
Bid Options No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures) 7 6 5 4 3 2 1 Option 1 _____ (OR) Option 2 _____ (OR) Option 3 _____		Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures) <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2">Bid Price</th> <th colspan="2">Discount, if any</th> <th colspan="2">Net Price</th> <th>"Cut-off"</th> </tr> <tr> <th>4</th><th>3</th><th>2</th><th>1</th> <th>4</th><th>3</th><th>2</th><th>1</th> <th>4</th><th>3</th><th>2</th><th>1</th> <th>(Please tick)</th> </tr> <tr> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td><input type="checkbox"/></td> </tr> <tr> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td><input type="checkbox"/></td> </tr> <tr> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td>_____</td><td>_____</td><td>_____</td><td>_____</td> <td><input type="checkbox"/></td> </tr> </table>				Bid Price		Discount, if any		Net Price		"Cut-off"	4	3	2	1	4	3	2	1	4	3	2	1	(Please tick)	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	<input type="checkbox"/>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	<input type="checkbox"/>	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	<input type="checkbox"/>
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6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)																																																																
Additional Amount Paid (₹ in figures) _____ (₹ in words) _____ <input type="checkbox"/> (A) CHEQUE/ DEMAND DRAFT (DD) Cheque/DD No. _____ Dated <u>DD</u> / <u>MM</u> / <u>YY</u> Drawn on (Bank Name & Branch) _____		<input type="checkbox"/> (B) ASBA Bank A/c No. _____ Bank Name & Branch _____ PAYMENT OPTIONS <input type="checkbox"/> Full Payment <input type="checkbox"/> Part Payment																																																														
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.																																																																
7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S) _____ Date : _____, 2011		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY) I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue 1) _____ 2) _____ 3) _____		BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system) _____																																																												
TEAR HERE																																																																
XYZ LIMITED BID REVISION FORM		Acknowledgement Slip for Syndicate Member / SCSB		Bid cum Application Form No.																																																												
DPID / CLID _____ Additional Amount Paid (₹) _____ Cheque / DD/ASBA Bank A/c No. _____ Received from Mr./Ms. _____ Telephone / Mobile _____ Email _____		Bank & Branch _____ Stamp & Signature of Banker _____		PAN _____ Name of Sole / First Applicant _____ Acknowledgement Slip for Bidder Bid cum Application Form No. _____																																																												
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XYZ LIMITED BID REVISION FORM		Acknowledgement of Syndicate Member / SCSB		Bid cum Application Form No.																																																												
No. of Equity Shares _____ Bid Price _____ Additional Amount Paid (₹) _____ Cheque / DD/ASBA Bank A/c No. _____ Bank & Branch _____		Option 1 _____ Option 2 _____ Option 3 _____		Name of Sole / First Applicant _____																																																												

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/ APPLICANT, PAN OF SOLE/ FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/ APPLICANT**

Bidders/ Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/ Applicant has Bid for three options in the Bid cum Application Form and such Bidder/ Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIIs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

- (a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.
- (b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (c) In case of Bids submitted by ASBA Bidder/ Applicant, Bidder/ Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/ Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/ Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

- (d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.
- (e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 **INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)**

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- (b) RIIs and/or Reserved Categories Bidding in their respective reservation portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").
- (c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 Instructions for non-ASBA Applicants:

- (a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).
- (b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the Escrow Collection Bank(s).
- (c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.
- (d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.
- (e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.
- (f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 Payment instructions for ASBA Applicants

- (a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.
- (b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) ASBA Applicants Bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.
- (i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

- (k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Application, as the case may be.
- (l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.3 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Offer Closing Date.

4.3.5.4 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Offer, applicants may refer to the Prospectus.
- (c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 Bidders/Applicants may submit completed Bid cum application form / Revision Form in the following manner:-

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	1) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form
	2) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres
	(b) To the Designated Branches of the SCSBs where the ASBA Account

Mode of Application	Submission of Bid cum Application Form
	is maintained

- (a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the Escrow Collection Banks. Bid cum Application Form/ Revision Form submitted to the Escrow Collection Banks are liable for rejection.
- (b) Bidders/ Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.
- (c) Upon submission of the Bid cum Application Form, the Bidder/ Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/ Applicant.
- (d) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/ Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/ Offer Period, ASBA Bidders/ Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/ Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.
- (b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) Bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.
- (c) In case of ASBA Bidders/ Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the ASBA Bidders/ Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/ Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.
- (d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/ Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock

Exchanges.

- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/ Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/ Offer Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/ Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/ Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) In case a RII wishes to withdraw the Bid after the Bid/Offer Period, the same can be done by submitting a withdrawal request to the Registrar to the Offer until finalization of Basis of Allotment. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The members of the Syndicate, the Registered Broker and/ or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to
 - i. the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,
 - ii. the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,
 - iii. the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or
 - iv. With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.
- (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

- (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
- (e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUND FOR TECHNICAL REJECTIONS

Bid cum Application Forms/ Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLMs, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/ Applicants are advised to note that the Bids/ Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs; and
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by persons in the United States excluding persons who are a U.S. QIB (as defined in this Draft Red Herring Prospectus);
- (g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;
- (i) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (j) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (k) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (l) Bids/Applications at a price less than the Floor Price & Bids/ Applications at a price more than the Cap Price;
- (m) Bids/Applications at Cut-off Price by NIIs and QIBs;
- (n) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (o) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

- (p) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;
- (q) Bids/Applications for a Bid/Application Amount of more than ₹200,000 by RIIs by applying through non-ASBA process;
- (r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;
- (s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;
- (u) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (v) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- (w) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;
- (x) Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non-Institutional Bidders accompanied with cheque(s) or demand draft(s);
- (y) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;
- (z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.
- (b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The Issuer, in consultation with the BRLMs, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/ Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Offer or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual

Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("**Maximum RII Allottees**"). The Allotment to the RIIs will then be made in the following manner:

- (a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).
- (b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid

Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;

- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. 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 at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹10 crores;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹10 crores and up to ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹250 crores subject to minimum Allotment of ₹5 crores per such Anchor Investor.
- (b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.
- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.
- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not repaid within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, without interest refund the entire subscription amount received within 15 days of the Bid/Offer Closing Date. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.
- (b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ Allotment to Bidders/Applicants.
- (c) In case of non-ASBA Bidders/Applicants, the Registrar to the Offer may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.
- (d) In the case of Bids from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **Direct Credit**—Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (d) **RTGS**—Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and
- (e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places

where Bids are received.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Offer may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Offer.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/ Applicants in the Offer who Bid/ apply through ASBA

Term	Description
Banker(s) to the Offer/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Offer Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the Registered and Corporate Office of the Issuer is situated, each with wide circulation. Applicants/ Bidders may refer to the RHP/Prospectus for the Bid/ Offer Closing Date
Bid/ Offer Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the Registered and Corporate Office of the Issuer is situated, each with wide circulation. Applicants/ Bidders may refer to the RHP/ Prospectus for the Bid/ Offer Opening Date
Bid/ Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/ Offer Closing Date inclusive of both days and during which prospective Bidders/ Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer 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, 2009. Applicants/ Bidders may refer to the RHP/Prospectus for the Bid/ Offer Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/ Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/ Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/ Applicant should be construed to mean an Bidder/ Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/ Applicants can submit the Bid cum Application Forms/ Application Form 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 websites of the Stock Exchanges.

Term	Description
BRLM(s)/ Book Running Lead Manager(s)/ Lead Manager/ LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/ Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/ Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/ Applicant's address, name of the Applicant's father/ husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1380263338017.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Selling Shareholder may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/ Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/ Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/ Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/ Applicants (excluding the ASBA Bidders/ Applicants) may Offer cheques or drafts in respect of the Bid Amount when submitting a Bid

Term	Description
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholder, the Registrar to the Offer, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/ Applicants (excluding the ASBA Bidders/ Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/ further public offering as applicable
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/ Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/ Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/ Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)

Term	Description
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/ Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/ Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the Registered and Corporate Office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	An account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/ Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/ Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate

Term	Description
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/ Prospectus and Bid cum Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/ Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/ or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/ Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Offer (excluding Bids from ASBA Bidders/ Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/ Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open for business, except with reference to announcement of Price Band and Bid/ Offer Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

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 government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“DIPP”), issued Circular 1 of 2014 (“Circular 1 of 2014”), which, with effect from April 17, 2014, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on April 16, 2014. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, Circular 1 of 2014 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment 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 investment aggregating upto 100% is permitted in our Company with the prior approval of the FIPB. Our Company will be seeking an approval from the Foreign Investment Promotion Board, Department of Economic Affairs (FIPB Unit), Ministry of Finance for transfer of Equity Shares by the Selling Shareholder to non-residents under the Offer.

The Equity Shares have not been, and will not be, registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, 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 the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder 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: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. The Articles of Association of the Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall be applicable. However, Part B shall automatically terminate and cease to have any force and effect only from the date of listing of shares of the Company on a stock exchange in India, subsequent to an initial public offering of the Equity Shares of the Company, without any further action by the Company or by the shareholders. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Part A of the Articles of Association

Share Capital

Article 4 provides that:

- (a) The authorised Share Capital of the Company shall be as stated under Clause V of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. 5,00,000 (Rupees five lacs only only) as required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (j) All of the provisions of these Articles shall apply to the Shareholders.
- (k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.

- (l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Alteration of Share Capital

Article 10 provides that “Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;

Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.
- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is 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 share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.”

Reduction of Share Capital

Article 11 provides that “the Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.”

Power to modify rights

Article 13 provides that “Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013 and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is affected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 107(2) of the Companies Act, 1956 and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.”

Shares and Share Certificates

Articles 15 provides that:

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:

- i. is proved to have been lost or destroyed; or
 - ii. has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.
- Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.

- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

Underwriting and Brokerage

Article 17 provides the following

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

Calls

Article 18 provides the following:

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by

way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall apply as if such sum became payable by virtue of a call duly made and notified.

- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

Company's lien

Article 19 provides the following:

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.
- (b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.

- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) 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 for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

Forfeiture of Shares

Article 20 provides the following:

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.

- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Transfer and transmission of shares

Article 22 provides the following:

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.
- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
- (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
- (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
- (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books,

the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.

- (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
- (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
- (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
- (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.
- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.

- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.
- (r) There shall be a common form of transfer in accordance with the Act and Rules.
- (s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

Dematerialisation of Securities

Article 23 provides the following:

- (a) Dematerialization:

Notwithstanding anything contained in this part of Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in this part of Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoter to direct the respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.

(e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or this part of Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
 - (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
 - (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
 - (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act

shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or this part of Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or this part of Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt

of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

Borrowing Powers

Article 28 provides the following:

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
 - (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if

expressed so to be.

- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

Conversion of Shares into stock and Reconversion

Article 30 provides the following:

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

Annual General Meetings

Article 32 provides that “In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.”

Venue, Date and Time for Holding Annual General Meeting

Article 33 provides the following:

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors’ Report and Audited Statement of Accounts, Auditors’ Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors’ shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

Notice of General Meetings

Article 34 provides that “A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.”

Quorum for General Meetings

Article 34 provides that “The quorum for the Shareholders’ Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders’ Meeting, the Shareholders’ Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders’ Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.”

Questions at General Meeting How Decided

Article 39 provides the following:

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to

or with the intent to evade or defeat the terms as contained in these Articles.

Passing of resolutions by Postal Ballot

Article 40 provides the following:

- (a) Notwithstanding any of the provisions of this part of Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

Votes of Members

Article 41 provides the following:

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.

- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.
- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
- (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.
 - (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
 - (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
 - (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
 - (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
 - (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
 - (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
 - a) the names of the Directors and Alternate Directors present at each General Meeting;
 - b) all Resolutions and proceedings of General Meeting.
 - (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
 - (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
 - (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
 - (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
 - (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of

the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).

- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

Directors

Article 42 provides that “Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.”

Proceedings of the Board of Directors

Article 69 provides the following:

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held in Bengaluru, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any Director shall, as and when directed by the Chairman convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman may determine.
- (e) At least 7 (seven) days’ notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

Quorum for Board Meeting

Article 70 provides the following:

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual

means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

Dividend Policy

Article 96 provides that “The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.”

Unpaid or Unclaimed Dividend

Article 97 provides the following:

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the “Unpaid Dividend of Syngene International Limited”.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. “Investors Education and Protection Fund”.
- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

Capitalisation of Profits

Article 98 provides the following:

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts or to the credit of the Company’s profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).

- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

Distribution of Assets in Specie or Kind Upon Winding Up

Article 100 provides the following:

- (a) If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or different classes of shareholders.

Director's and Other's Rights to Indemnity

Article 101 provides that "Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contact entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings Whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims."

PART B

Provisions pursuant to the Shareholders' Agreement

A. Notwithstanding anything to the contrary contained in Table F in the First Schedule to the Companies Act, 2013 and Part A of these Articles, as long as the Shareholders' Agreement dated October 28, 2014 executed between Biocon Limited ("**Promoter**"), Silver Leaf Oak (Mauritius) Limited ("**SLO**") and the Company ("**Shareholders' Agreement**") read with (i) the Assignment Agreement dated January 9, 2015 executed, inter alia, between the Promoter, SLO, the Company and IVF Trustee Company Private Limited sole trustee of India Value Fund IV ("**IVF IV**"), and (ii) the Share Purchase Agreement (i.e. defined below as SPA II) dated March 31, 2015 executed, inter alia, between the Promoter, SLO, the Company and IVF IV shall be in effect, the provisions of all Articles contained in Part B of these Articles shall be applicable.

B. Reference to Articles in this Part B shall be deemed to be Articles of this Part B and not Part A.

1. DEFINITIONS AND INTERPRETATION

- 1.1 "**Affiliate**" of a Person means any Person that either directly or indirectly through one or more intermediate Persons, whether alone or in combination with one or more Persons, Controls, is Controlled by or is under common Control with such Person;
- 1.2 "**Assignment Agreement**" means the assignment agreement dated January 9, 2015, executed, inter alia, between the Company, the Promoter, SLO and IVF IV, pursuant to the terms of which IVF IV has invested in the Company, and pursuant to which IVF IV has acquired from SLO the obligation to purchase the IVF IV's shares alongwith all the SLO's rights, title, interest, benefits, privileges, entitlements, obligations, liabilities, responsibilities under the SPA, Shareholders' Agreements and the other documents/letters executed in connection with the same;
- 1.3 "**Applicable Law**" means all applicable statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, by-laws, regulations, notifications, guidelines, policies, circulars, directions, directives and orders of any Governmental Authority, tribunal, board, court or recognised stock exchange;
- 1.4 "**Biocon Research Limited**" a company incorporated under the Companies Act 1956, having its registered office at 20th KM, Hosur Road, Electronic City, Bangalore 560 100;
- 1.5 "**Board**" means the Board of Directors of the Company;
- 1.6 "**Business**" shall mean the business of providing (i) contract research and development services; (ii) clinical research services; and (iii) contract manufacturing services;
- 1.7 "**Business Day**" means any weekday other than Saturdays and Sundays when banks are open for transaction of business in Bangalore, India, Mumbai, India and Port Louis, Mauritius;
- 1.8 "**Business Plan**" means the business plans of the Company as approved and adopted by the Board;
- 1.9 "**Competitor**" shall mean a person who is directly or indirectly engaged in the same or similar Business to that of the Company or the business of the Promoter. For avoidance of doubt it is clarified that, Competitor shall include any Affiliates of the person as mentioned above and any person, who SLO is aware of as acting on behalf of a Competitor;
- 1.10 "**Completion Date**" shall mean January 12, 2015;
- 1.11 "**Control**" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any entity, whether through (i) the ownership of more than 50% (fifty per cent) of the voting power or shareholding of such entity or by contract or otherwise, or (ii) the right to appoint majority of the members of the board of directors or similar governing body of such persons,

by contract or otherwise;

- 1.12 **“Director”** means a director on the Board;
- 1.13 **“EBITDA”** shall mean earnings before interest, income taxes, depreciation and amortization;
- 1.14 **“Effective Date”** shall mean the date falling immediately after the Listing Deadline Date;
- 1.15 **“Equity Shares”** means fully paid up equity shares of the Company;
- 1.16 **“Financial Year”** means a period from April 1 to March 31;
- 1.17 **“Governmental Authority”** means any government, or any governmental, non-governmental, legislative, executive, administrative, fiscal, judicial or regulatory, authority, body, board, ministry, department, commission, tribunal, agency, instrumentality or other Person exercising legislative, executive, administrative, fiscal, judicial or regulatory functions (including any court, tribunal, mediator or arbitrator of competent jurisdiction), having jurisdiction over the matter in question, whether as of the Effective Date or thereafter, in any jurisdiction or political sub-division and includes any tax authorities, the Reserve Bank of India, the Competition Commission of India and the Foreign Investment Promotion Board;
- 1.18 **“IVF IV”** shall mean IVF Trustee Company Private Limited in its capacity as sole trustee of India Value Fund IV, having its registered office at 9/2 ground Floor, Rocklines House, Museum Road, Bangalore- 560 001;
- 1.19 **“IVF IV’s Shares”** means the Equity Shares or any other securities or instruments held by IVF IV in the Company;
- 1.20 **“IPO”** means the initial public offering of Equity Shares and/or listing of Equity Shares or share equivalent instruments including but not limited to American Depository Receipts or Global Depository Receipts, on a Recognised Stock Exchange where SLO’s Shares are or are permitted to be listed and traded;
- 1.21 **“IRR”** means the internal rate of return applicable to SLO, which shall be determined by using the XIRR function of Microsoft Excel, taking into account any payments and returns made by the Company to SLO including on account of distribution of profits or dividends;
- 1.22 **“Listing”** means the listing of the Equity Shares of the Company on a Recognised Stock Exchange such that all SLO’s Shares can be traded on a Recognised Stock Exchange (and the term “Listed” shall be construed accordingly) and shall include any listing through a merger or demerger of the Company, as per the Act, as a result of which all the equity securities of the Company or resulting company are listed on any Recognised Stock Exchange;
- 1.23 **“Listing Deadline Date”** shall mean July 31, 2016;
- 1.24 **“Person”** means any natural person, limited or unlimited liability company, corporation, partnership firm (whether limited or unlimited), proprietorship firm, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as an entity under Applicable Law;
- 1.25 **“Promoter”** shall mean Biocon Limited, a company incorporated under the Companies Act 1956, having its registered office at 20th KM, Hosur Road, Electronic City, Bangalore 560 100;
- 1.26 **“Recognised Stock Exchange”** means:
 - (a) the Bombay Stock Exchange or the National Stock Exchange, India; or
 - (b) the New York Stock Exchange, the London Stock Exchange, NASDAQ, the Stock Exchange of Singapore or the Hong Kong Stock Exchange; or

- (c) such other Indian and/or international stock exchanges as may be approved by SLO in writing;
- 1.27 **"Rupees"** or **"Rs."** or **"Rupee"** or **"Re"** means the lawful currency of India;
- 1.28 **"SEBI"** shall mean the Securities and Exchange Board of India, established under the Securities and Exchange Board of India, Act 1992;
- 1.29 **"Shareholders"** means (i) SLO; (ii) the Promoter; (iii) any other Person who becomes a party to the Shareholders Agreement and a shareholder of the Company in accordance with the terms of the Shareholders Agreement and these Articles; and (iv) any Person who holds any Shares of the Company; and a **"Shareholder"** means any of them;
- 1.30 **"Shareholders' Agreement"** means the shareholders' agreement dated October 28, 2014 between SLO, the Company and the Promoter;
- 1.31 **"Shares"** means Equity Shares of the Company and shall include any preference shares of the Company or any other securities of the Company representing a right (upon conversion, exercise, exchange or otherwise) to receive Equity Shares;
- 1.32 **"SLO"** shall mean Silver Leaf Oak (Mauritius) Limited, a company incorporated under the laws of Mauritius, having its registered office at office 201, Sterling Tower, 14 Poudriere Street, Port Louis, Mauritius;
- 1.32.2 **"SLO's Shares"** means the Equity Shares or any other securities or instruments held by SLO in the Company;
- 1.33 **"SPA"** shall mean the Share Purchase Agreement dated September 18, 2014 entered into between Biocon Research Limited, SLO and the Company;
- 1.34 **"SPA II"** means the share purchase agreement dated March 31, 2015, executed, inter alia, between the Company, the Promoter, SLO and IVF IV, pursuant to the terms of which SLO has invested into the Company, and pursuant to which SLO has acquired all the Shares held by IVF IV in the Company alongwith all IVF IV's rights, title, interest, benefits, privileges, entitlements, obligations, liabilities, responsibilities under the SPA, Shareholders' Agreements, Assignment Agreement and the other documents/letters executed in connection with the same;
- 1.35 **"Strategic Investor"** shall mean any Person whose (i) primary business is the manufacture and sale of drugs and pharmaceuticals, or is a customer of the Company (including existing and future customers of the Company); and (ii) is not a Related Party (as defined in the Act) of the Company or the Promoter or any Affiliate of the Promoter;
- 1.36 **"Strategic Sale"** means any (a) direct or indirect sale or transfer of more than 50% (Fifty Percent) of legal and/or beneficial ownership of the share capital of the Company for cash or listed securities, (b) event pursuant to which the Promoter ceases to be in Control of the Company, or (c) sale, transfer, lease or cessation of Company's right in any form whatsoever in all or substantially all of the business (including Business), operations or Assets of the Company;
- 1.37 **"Total Investment Amount"** shall mean the total amount invested, from time to time, by SLO and/or its Affiliates, for acquiring the Shares of the Company through subscription and/or acquisition/purchase;
- 1.38 **"Transfer"** means to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of Applicable Law or in any other way subject to any lien or dispose of, whether voluntarily or not; and
- 1.39 **"USD"** means the lawful currency of United States of America.

2. OBLIGATIONS OF THE SHAREHOLDERS AND THE COMPANY

- 2.1 SLO shall have the right to appoint 1 (one) person as an observer on the Board of the Company until such time as SLO becomes entitled to appoint a SLO Director, i.e., until Clause 4 of the Shareholders Agreement becomes effective as per the terms of the Shareholders Agreement.
- 2.2 In the event any scheme of arrangement is proposed involving the Company, then, prior written consent of SLO shall be required for implementing and approving such scheme of arrangement, unless SLO's shareholding in the resultant company is the same as its shareholding percentage in the Company prior to the merger.
- 2.3 On the Effective Date, the Company shall and the Promoter shall cause the Company to amend the Articles to adopt the Restated Articles as provided in Schedule 1 of the Shareholders Agreement, provided SLO is holding at least 28,06,887 (Twenty Eight Lakhs Six Thousand Eight Hundred and Eighty Seven) Shares out of the Sale Shares (as defined in the SPA, and as adjusted for any splits, bonus, consolidations or other corporate reorganisation) ("**Continuing Sale Shares**").
- 2.4 On and from the Completion Date, the Company shall provide to SLO the following:
 - 2.4.1 a copy of the annual Business Plan of the Company;
 - 2.4.2 notice of all meetings of (a) the Shareholders, and (b) Board along with the agenda of all such meetings and all accompanying papers stating in full details, the matters to be transacted at such meeting(s);
 - 2.4.3 minutes of meetings of the Shareholders and Board meetings, within 15 (Fifteen) days from the date of occurrence of such meetings;
 - 2.4.4 as soon as possible, but in any event not later than 45 (forty five) days after the end of each quarter, the unaudited balance sheet and profit and loss account statement of the Company for such quarter; and
 - 2.4.5 as soon as possible, but in any event not later than 45 (forty five) days after the end of each Financial Year audited balance sheet and profit and loss account statement of the Company for the Financial Year.

3. BOARD OF DIRECTORS AND MEETINGS OF BOARD OF DIRECTORS

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- 3.14 Notwithstanding anything to the contrary contained in these Articles or the Shareholders' Agreement, no resolution shall be passed by the Board or any committee thereof (in a meeting or by circulation or otherwise) or the Shareholders, nor shall any decisions or actions be taken on the following matter ("Affirmative Vote Matter"), by any employee or officer or the Company, without the prior written consent of SLO which consent may be granted by SLO either (a) in writing or (b) by way of the SLO Director providing its affirmative vote (in case of a Board or committee resolution) or (c) SLO's authorized representative providing its affirmative vote (in case of Shareholders resolution):
- 3.14.1 any amendment of the Company's memorandum of association and/or Articles in a manner which prejudicially or adversely affects the rights of SLO, except amendment to the Articles at the time of filing of draft red herring prospectus in the event of an IPO;
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4. SHAREHOLDERS' MEETINGS AND RESOLUTION

- 4.1 A minimum 21 (twenty one) days' clear written notice shall be given to all the Shareholders of any Shareholders meeting, accompanied by the agenda stating in reasonable detail the matters to be considered at such meeting. No business shall be discussed at a meeting of the Shareholders unless such business was included in the said agenda.
- 4.2 The quorum for the meeting of the Shareholders meeting shall be as per the Act.
- 4.3 Subject to any additional requirements under the Act and these Articles at a duly convened Shareholders meeting, all decisions shall be approved only if passed with the affirmative vote of the Shareholders present at the meeting and representing more than 50% (Fifty percent) of the Equity Shares held by all the Shareholders present at the meeting duly called and for which requisite quorum is present as required under these Articles or under the Act, as the case may be.

5. EXERCISE OF RIGHTS

- 5.1 Without prejudice to the other provisions of these Articles and/or the Shareholders Agreement, the Promoter and SLO agree to exercise all powers and rights available to them (including their voting rights and their rights as and in respect of directors and their rights under these Articles and the Shareholders Agreement) in support of the provisions of these Articles and the Shareholders Agreement and so as to procure and ensure that the provisions of these Articles and the Shareholders Agreement (including Listing) are complied with in all respects by the Company and the Shareholders in the manner contemplated in these Articles and the Shareholders Agreement.

6. ADDITIONAL FUNDING

- 6.1 Any further issue of Shares including any share equivalents, offered or issued by the Company, shall be offered, on terms and conditions which are identical, to the each of the existing Shareholders of the Company, in the same proportion as the then existing shareholding percentage. The Shareholders shall have a minimum period of 30 (thirty) days to respond to the above offer.
- 6.2 If any Shareholder refuses or fails to subscribe to all or any of the Shares or share equivalent, as the case may be, offered by the Company, within the period stipulated in the offer, as provided in Article 6.1 above, then the other Shareholders have the right to subscribe, within next 10 (ten) days, to such unsubscribed Shares or share equivalent as the case may be, in proportion to their existing shareholding percentage. The Board shall, subject to the provisions of Article 3.14, have a right to issue any remaining unsubscribed Shares or share equivalent as the case may be, to any other Person as they may deem fit on terms and conditions no more favourable than the terms and conditions at which the Shares or share equivalent were first offered to the existing Shareholders of the Company.
- 6.3 Neither the Promoter nor SLO shall be entitled to renounce their right to subscribe to Shares as per this Article 6 in favour of any third party, without the prior written consent of the other Party.

7. TRANSFERS OF SHARES

- 7.1 No Strategic Sale shall be initiated or undertaken by the Company and/or the Promoter till July 31, 2017 (“**Transfer Restriction Date**”), without the prior written consent of SLO.

Promoter’s shareholding upto 51%

- 7.2 The Promoter shall be entitled to sell the Shares of the Company held by the Promoter to any Person at its discretion without prior written consent of SLO, provided post such sale the Promoter’s shareholding in the Company is more than 51% (Fifty One Percent) of the total paid up share capital of the Company on a fully diluted basis and the Promoter and the Company have complied with the provisions of Articles 7.3 and 7.8 below.
- 7.3 Any proposed sale of Shares by the Promoter which falls under Article 7.2 above, shall be undertaken by the Promoter only if the process set out in Article 7.8 has been fully complied with and in such a sale (i) SLO at its discretion is entitled to offer such number of Shares held by SLO which bear such proportion to SLO’s Shares as the Tag Sale Shares bear to the total number of Shares held by the Promoter in the Company prior to such sale/transfer; and (ii) on the same terms and conditions (including price) as applicable to Tag Sale Shares.

Promoter’s shareholding between 51% and 26%

- 7.4 If after the Transfer Restriction Date, the Promoter intends to sell any Shares held by the Promoter in the Company which would result in the Promoter’s shareholding in the Company post such sale to be less than 51% (Fifty One Percent) but more than or equal to 26% (Twenty Six Percent) of the total paid up share capital of the Company on a fully diluted basis, then such sale of Shares shall be undertaken only if the Promoter and the Company have complied with the provisions of Articles 7.5 and 7.8 below.
- 7.5 Any proposed sale of Shares by the Promoter which falls under Article 7.4 above, shall be undertaken by the Promoter only if the process set out in Article 7.8 has been fully complied with and in such a sale (i) SLO at its discretion is entitled to offer either such number of Shares held by SLO which bear such proportion to SLO’s Shares as the Tag Sale Shares bear to the total number of Shares held by the Promoter in the Company prior to such sale/transfer, or all the Shares held by SLO in the Company on the date of issue of the Response Notice; and (ii) on the same terms and conditions (including price) as applicable to Tag Sale Shares.

Promoter’s shareholding below 26%

- 7.6 If after the Transfer Restriction Date, the Promoter intends to sell any Shares held by the Promoter in the Company which would result in the Promoter’s shareholding in the Company post such sale to be less than 26% (Twenty Six Percent) of the total paid up share capital of the Company on a fully diluted

basis, then such sale of Shares shall be undertaken only if the Promoter and the Company have complied with the provisions of Article 7.7 and 7.8 below.

- 7.7 Any proposed sale of Shares by the Promoter which falls under Article 7.6 above, shall be undertaken by the Promoter only if the process set out in Article 7.8 has been fully complied and in such a sale SLO is at its discretion, entitled to offer either (i) such number of Shares held by SLO which bear such proportion to SLO's Shares as the Tag Sale Shares bear to the total number of Shares held by the Promoter in the Company prior to such sale/transfer, or (ii) all the Shares held by SLO in the Company on the date of issue of the Response Notice on the same terms and conditions as applicable to the Tag Sale Shares except that the price for SLO's Shares shall be the higher of:
- (a) the Purchase Price which is offered by the Purchaser for the purchase of the Tag Sale Shares as stated in the Transfer Notice; or
 - (b) the price which provides to SLO a return on SLO's Shares which is 2x (i.e. twice) of the Total Investment Amount; or
 - (c) the price which provides to SLO an IRR of 20% (twenty percent) on the Total Investment Amount.
- 7.8 Any proposed sale of Shares by the Promoter as per Articles 7.2 to 7.7 above, shall be undertaken only after complying with the following process:
- 7.8.1 before transferring or disposing the Shares, the Promoter shall give a written notice (a "**Transfer Notice**") to SLO which specifies:
- (i) the number of Shares (the "**Tag Sale Shares**") which the Promoter wishes to Transfer; and
 - (ii) all details of the offer to purchase the Tag Sale Shares received from such Person (the "**Purchaser**") including the name of the Purchaser, the price per equity share offered by the Purchaser for the Tag Sale Shares (the "**Purchase Price**") and the other terms of the sale (including payment terms);
- 7.8.2 the Promoter shall not be entitled to sell the Tag Sale Shares to the Purchaser, unless the Promoter complies with, and procures that the Purchaser complies with, the following provisions:
- (i) SLO shall have the option, exercisable by notice in writing to the Promoter within 15 (Fifteen) Business Days of the date of receipt of the Transfer Notice ("**Response Notice**") to require that the Promoter includes in the sale to the Purchaser, on the same terms as mentioned in the Transfer Notice, but at a price as mentioned in Article 7.3, 7.5 or 7.7 above as the case may be, such number of Shares held by SLO as permitted and determined pursuant to Article 7.3, 7.5 or 7.7 above as the case may be; and
 - (ii) if SLO delivers the Response Notice as per Article 7.8.2 (i) above, the Promoter shall not be entitled to complete the transfer of the Tag Sale Shares to the Purchaser unless the Purchaser also concurrently completes the purchase from SLO of such number of Shares, of SLO as are mentioned in the Response Notice, on the same terms and conditions as mentioned in the Transfer Notice but at a price as mentioned in Article 7.3, 7.5 or 7.7 above as the case may be.
- 7.8.3 SLO shall not be required to give any representations and warranties in respect of the Company or its business or its Shares, except the representation regarding the title of SLO to the Shares proposed to be transferred by SLO as per this Article and SLO's authority to sell the said Shares.
- 7.9 Notwithstanding anything contained in these Articles, SLO shall be entitled to sell and/or transfer the Shares held by SLO in the Company to any Affiliate of SLO, subject to fulfilment of provisions of Article 7.11 below.

- 7.10 Notwithstanding anything contained in these Articles, the Promoter shall be entitled to sell and/or transfer the Shares held by the Promoter in the Company to an Affiliate of the Promoter, subject to fulfilment of provisions of Article 7.11 below.
- 7.11 Any transfer of Shares by the Promoter or SLO to their respective Affiliate shall be subject to such Affiliate having signed a deed of adherence in the form as prescribed in **Schedule 2** of the Shareholders' Agreement, and agreeing to be bound by the Shareholders' Agreement. Further, if the Affiliate is likely to cease to be an Affiliate of the Promoter or SLO as the case may be, then the Affiliate, shall transfer the Shares back to the Promoter or SLO (as the case may be) prior to ceasing to be an Affiliate.
- 7.12 The Promoters and SLO, as the case may be, shall upon and after such Transfer as per Article 7.9 and/or 6.10, continue to remain liable for fulfillment of all the obligations, covenants, undertakings, terms, conditions and provisions under the Shareholders' Agreement and these Articles.
- 7.13 Except pursuant to this Article 7, SLO and/or its Affiliate shall not be entitled to transfer any of SLO's Shares in the Company to any Person prior to the Listing Deadline Date. For the avoidance of doubt it is clarified that, post the Listing Deadline Date, SLO shall be entitled to freely sell and/or transfer SLO's Shares to any Person other than a Competitor; provided however that in the event that SLO has not been provided with an exit as per Clause 12 of the Shareholders Agreement in accordance with the terms therein, then, SLO shall be entitled to transfer and/or sell any or all of SLO's Shares to a Competitor of the Company.

Promoter's Drag Along Right

- 7.14 Subject to Article 7.1, and the other provisions of Article 7, if the Promoter intends to sell to any third party purchaser such number of Shares which would result in a Strategic Sale ("**Drag Sale Shares**") then in such a case, the Promoter shall have the right to require SLO to offer all (and not less than all) of the Shares of the Company held by SLO, to such third party purchaser provided that any such sale of Shares by the Promoter of SLO's Shares is at a price which is higher of :
- (a) the price mentioned in the Drag Along Sale Notice (as defined in Article 7.14.1 below); or
 - (b) the price which provides to SLO a return on SLO's Shares which is 2x (i.e. twice) of the Total Investment Amount; or
 - (c) the price which provides to SLO an IRR of 20% (twenty percent) on the Total Investment Amount.
- 7.14.1 For the purpose of this Article 7.14, the Promoter shall deliver a written notice to SLO of the offer received by the Promoter from the proposed third party purchaser ("**Drag Purchaser**") who wishes to purchase the Drag Sale Shares ("**Drag Along Sale Notice**"), setting forth in full detail: (i) the price offered by the third party purchaser for the sale of the Drag Sale Shares and the Shares held by SLO (which shall be as per Article 7.14) in the Company; (ii) the identity of the Drag Purchaser; and (iii) the proposed date and place of the closing of the sale.
- 7.14.2 Within 5 (five) Business Days following the date of the Drag Along Sale Notice, SLO shall deliver to the Drag Purchaser the relevant share certificate(s) of all SLO's Shares, together with a duly signed instrument of transfer to effect the Transfer of all SLO's Shares to the Drag Purchaser or, if the Shares held by SLO have been dematerialised, SLO shall provide the Promoter with a depository participant slip and/or other authorisation as required to enable transfer of all SLO's Shares simultaneously against receipt of the total consideration for SLO's Shares as per the provisions of this Article 7.14.
- 7.14.3 SLO shall cooperate in any exercise of the Promoter's right under this Article 7.14 by way of providing representation and warranty to the Drag Purchaser regarding SLO's title to all SLO's Shares and SLO's authority to sell all SLO's Shares.
- 7.14.4 SLO shall transfer all SLO's Shares to the concerned Drag Purchaser in accordance with the provisions of this Article 7.14 and the sale of the Drag Sale Shares and SLO's Shares shall be completed simultaneously.

- 7.15 The Promoter shall not, without the prior written consent of SLO, sell any Shares of the Company, unless the price per Share of the Shares to be sold and transferred, is based on an equity valuation of the Company of more than Rs. 4000,00,00,000 (Rupees Four Thousand Crores).
- 7.16 Any transfer or sale of Shares by the Promoter or SLO pursuant to Article 7 (other than a transfer to an Affiliate) shall be permitted only if such transfer or sale of Shares is undertaken for consideration in cash and the proposed transferee (if not an existing Shareholder) of such Shares simultaneously or prior to such sale or transfer has executed a deed of adherence in the form attached in **Schedule 2 of the Shareholders' Agreement**.

8. ISSUE OF SHARES

- 8.1 Notwithstanding the provisions of Articles 6 and 3.14, the Company shall not without the prior written consent of SLO, issue any Shares (including any issue of Shares in an IPO or a Listing) to any Person, if for the purpose of such issuance the pre-money equity valuation of the Company is lower than Rs. 4000,00,00,000 (Rupees Four Thousand Crores), provided however the Company may issue Shares to a Strategic Investor, without the prior consent of SLO, if such issuance fulfills each of the following conditions:
- 8.1.1 the issue price of such Shares is based on an equity valuation of the Company of atleast Rs. 3600,00,00,000 (Rupees Three Thousand Six Hundred Cores);
 - 8.1.2 the Shares proposed to be issued to a single Strategic Investor and/or its Affiliates do not exceed 10% (Ten percent) of the total share capital of the Company, calculated on a fully diluted basis;
 - 8.1.3 the combined holding of all Strategic Investors (together with their Affiliates) should not exceed 25% (Twenty Five percent) of the total share capital of the Company, calculated on a fully diluted basis, and provided that the Shares issued to the Strategic Investor shall be issued for cash and shall be fully paid-up; and
 - 8.1.4 on the date of issue of Shares to the Strategic Investor, the Strategic Investor has executed a binding and enforceable contract with the Company thereby guaranteeing the Company minimum business revenue of an amount of more than USD 25,000,000 (United States Dollars Twenty Five Million only) annually and such issue of Shares to the Strategic Investor would not result in the Promoter's shareholding in the Company falling below 51% (Fifty One percent) of the total paid up share capital of the Company on a fully diluted basis.
- 8.2 The Company shall either (i) hold atleast 95% (Ninety Five Percent) of the paid-up share capital of Clinigene International Limited having its registered office at Clinigene House, Tower I, Semicon Park, Phase-II, Electronics City, Hosur Road, Bangalore – 560 100, ("**Clinigene**") and the balance may be held by the employees of Clinigene pursuant to an employee stock options plan duly approved by the board of directors of Clinigene; or (ii) merge the business and operations of Clinigene with the Company.
- 8.3 In the event any shares are proposed to be issued in any subsidiary, joint venture, entity or association of the Company, for consideration other than cash, the Company shall be permitted to make an investment, without the prior written consent of SLO, in any such subsidiary, joint venture, entity or association of the Company if:
- (a) the investment of the Company in or to such subsidiary, venture, entity, or association of the Company is not more than USD 50,000,000 (United State Dollars Fifty Million only) over a period of 3 (Three) years; and
 - (b) the partner in such subsidiary, venture, entity or association of the Company has executed a binding and enforceable contract with such subsidiary, venture, entity or association of the Company thereby guaranteeing such subsidiary, venture, entity or association of the Company minimum business revenues of an amount equivalent to the investment of the Company, over a period of 3 (Three) years commencing from the date the facility has been commissioned and approved by the regulatory authority where such partner targets to commercialise the product; and

It is hereby clarified that any such investment by the Company in a subsidiary, joint venture, entity, or association of the Company which involves issuance of shares to a joint venture partner for consideration other than cash and does not fulfill the conditions mentioned in Article 8.3 (a) and (b) above, shall be subject to prior written consent of SLO.

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9.1 [Intentionally Left Blank]

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11. [Intentionally Left Blank]

11.1 [Intentionally Left Blank]

12. TERMINATION

12.1 The Shareholders' Agreement and this Part B of these Articles shall terminate on the earlier of (i) SLO and/or its Affiliates ceasing to hold the Continuing Sale Shares; or (ii) on completion of an IPO or Listing of the Equity Shares of the Company on a Recognised Stock Exchange.

12.2 The termination of the Shareholders' Agreement in any of the circumstances aforesaid shall not in any way affect or prejudice any right accrued to either Party against the other prior to such termination.

13. SURVIVAL

The Surviving Provisions shall survive the termination of the Shareholders' Agreement for any reason whatsoever.

14. CONFIDENTIALITY

14.1 All communications between the Shareholders and the Company or any of them and all Confidential Information and other materials supplied to or received by any of them from the others and any information concerning the business transactions or the financial arrangements of the Promoter, SLO or the Company or of any Person with whom any of them is in a confidential relationship with regard to the matter in question coming to the knowledge of the recipient shall be kept confidential by the recipient unless and to the extent that:

- (i) disclosure is required by judicial or administrative procedures or in the opinion of its counsel, by other requirements of law, or by any Governmental Authorities or stock exchange having jurisdiction over such person in order to comply with any official directive or guideline;
- (ii) disclosure is made in confidence on a need to know basis to professional consultants of such Party, provided that each person to whom such disclosure is made has given an undertaking on the same terms as this Article; or
- (iii) such Confidential Information can be demonstrated by the disclosing party to be in the public domain through no breach or default on the part of such Party, and to the extent that it is in the public domain the confidentiality obligations in this Article shall cease to apply to such confidential information; or
- (iv) such Confidential Information which is not unpublished price sensitive, may be disclosed by SLO to its Affiliates, members of its investment committees, advisory committees, and similar

bodies, and Persons related thereto and to the direct investors and/or their advisors who are informed of the confidentiality obligations of this Article 14 and are bound by equivalent confidentiality obligations to SLO or such Confidential Information is required to be disclosed to a proposed purchaser of SLO's Shares as per these Articles.

and in such cases, this obligation shall cease only to the extent required under the respective circumstances.

15. DISPUTE RESOLUTION

- 15.1 If any dispute arising out of or relating to these Articles arises amongst the Shareholders or between any of the Shareholders and the Company ("**Disputing Parties**"), in connection with the validity, interpretation, implementation or alleged breach of any provision of these Articles or regarding any question ("**Dispute**"), the Disputing Parties hereto shall endeavour to settle such dispute amicably. The attempt to bring about an amicable settlement is considered to have failed as soon as one of the Disputing Parties, after reasonable attempts, which attempt shall continue for not less than 30 (thirty) days, gives a notice recording such failure to the other Disputing Party, in writing.
- 15.2 In case of such failure, the Disputing Party which wishes to have the Dispute resolved, shall refer the Dispute to arbitration which arbitration shall be held under the Rules laid down by the Singapore International Arbitration Centre (the "**Rules**") which Rules are deemed to be incorporated by reference to this Article. The arbitration shall be conducted through a panel of 3 (three) arbitrators, with the claimants appointing one arbitrator, the respondents appointing one arbitrator and the arbitrators so appointed jointly appointing the third arbitrator, who will preside as chairman, provided that if the third arbitrator is not appointed within 30 (thirty) days of the referral of a Dispute to arbitration pursuant hereto, the Chairman of the Singapore International Arbitration Centre shall appoint the third arbitrator. No officer, director, shareholder, employee, representative or relative of any Shareholder or the Company may be nominated or appointed as an arbitrator. The seat of the arbitration shall be Mumbai, India. The language of this arbitration shall be English and any document not in English submitted by any Disputing Party shall be accompanied by an English translation. A written transcript of the proceedings shall be made and furnished to the Disputing Parties.
- 15.3 The arbitrators shall have the power to grant any legal or equitable remedy or relief available under law, including injunctive relief (whether interim and/or final) and specific performance and any measures ordered by the arbitrators may be specifically enforced by any court of competent jurisdiction.
- 15.4 The Disputing Parties shall equally share the costs of the arbitral panel's fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration, subject to the provisions of Article 15.8.
- 15.5 Any award of the arbitral tribunal pursuant to this Article 15 shall be in writing and shall be final, conclusive and binding upon the Disputing Parties, and the Disputing Parties shall be entitled (but not obliged) to enter judgment thereon in any one or more of the highest courts having jurisdiction. Such enforcement shall be subject to the provisions of the (Indian) Arbitration and Conciliation Act, 1996 and no Disputing Party shall seek to resist the enforcement of any award in India or elsewhere on the basis that the award is subject to such excluded provisions.
- 15.6 During the course of any arbitration under this Article 15 except for the matters under dispute, the Shareholders and the Company shall continue to exercise their remaining respective rights and fulfil their remaining respective obligations under these Articles.
- 15.7 Each Disputing Party shall participate in good faith to reasonably expedite (to the extent practicable) the conduct of any arbitral proceedings commenced under these Articles.
- 15.8 The arbitrators shall decide on and apportion the costs and reasonable expenses (including reasonable fees of counsel retained by the Disputing Parties) incurred in the arbitration.

16. ASSIGNMENT

- 16.1 The Shareholders' Agreement and the rights and liabilities thereunder shall bind and inure to the benefit of the respective successors of the Parties thereto. Except as mentioned in this Article 16, no Shareholder shall assign any of its rights and/ or obligations thereunder to any other Person without the prior written consent of the other Shareholders.
- 16.2 In the event that SLO Transfers any of its Shares, then such transferee shall, as a condition of such transfer, execute a deed of adherence in a form reasonably specified in **Schedule 2** of the Shareholders' Agreement, and pursuant to the terms whereof:
- (a) the transferee shall be subject to the obligations of SLO in these Articles and the Shareholders' Agreement along with SLO;
 - (b) the transferee shall be entitled to any rights of SLO in these Articles and the Shareholders' Agreement which are assigned to such transferee, provided that (i) consequent to such assignment, only one of SLO or the transferee is entitled to such rights and no multiplication of rights takes place; (ii) the transferee shall be entitled to such rights only if the transferee by itself holds Continuing Sale Shares; (iii) such transferee and SLO shall cease to hold any rights hereunder if the transferee ceases to hold the aforesaid Continuing Sale Shares.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following 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 the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned 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 the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated April 22, 2015 between our Company, the Selling Shareholder and the BRLMs.
2. Escrow Agreement dated [●] between our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s).
3. Share Escrow Agreement dated [●] between our Company, the Selling Shareholder and the Escrow Agent.
4. Syndicate Agreement dated [●] between our Company, the Selling Shareholder, the BRLMs, the Syndicate Members and the Registrar to the Offer.
5. Underwriting Agreement dated [●] between our Company, the Selling Shareholder and the Underwriters.
6. Registrar Agreement dated April 13, 2015 between our Company, the Selling Shareholder and the Registrar to the Offer.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated November 18, 1993.
3. Fresh certificate of incorporation dated April 19, 2007 issued by RoC at the time of conversion from a private limited company into a public limited company.
4. Resolutions of the Board of Directors dated January 22, 2015 in relation to the Offer and other related matters.
5. Resolution dated January 22, 2015 passed by the board of directors of the Selling Shareholder approving the Offer.
6. Copies of the annual reports of the Company for the Financial Years ended March 31, 2010, 2011, 2012, 2013 and 2014.
7. The examination report of the Statutory Auditor dated April 1, 2015, on our Company's Restated Financial Statements, included in this Draft Red Herring Prospectus.
8. The Statement of Possible Tax Benefits Available to the Company and its Shareholders dated April 1, 2015 from the Statutory Auditors.
9. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.
10. Agreement dated October 1, 2014 among NSDL, our Company and the Registrar to the Offer.
11. Agreement dated April 7, 2015 among CDSL, our Company and the Registrar to the Offer.

12. Share Purchase agreement dated September 18, 2014 between Biocon Research Limited, Silver Leaf Oak (Mauritius) Limited and our Company.
13. Confirmation letters dated September 18, 2014 issued by (i) Syngene Employee Welfare Trust in favour of Biocon, BRL, Silver Leaf and our Company; (ii) BRL in favour of Biocon, Silver Leaf and our Company; and (iii) Allegro in favour of Biocon, BRL, Silver Leaf.
14. Shareholders agreement dated October 28, 2014 between Biocon Limited, Silver Leaf Oak (Mauritius) Limited and our Company.
15. Assignment agreement dated January 9, 2015 between Silver Leaf, IVF, our Company, Biocon, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust and indemnity letter agreement dated January 12, 2015 executed by IVF in favour of the Company and BRL.
16. Share purchase agreement dated March 31, 2015 between IVF, Silver Leaf, our Company, Biocon, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust.
17. Waiver and termination agreement dated April 20, 2015 between Biocon, Silver Leaf, our Company, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust.
18. Waiver and termination agreement dated April 20, 2015 between Biocon, Silver Leaf, our Company, BRL, Allegro and our Company as the sole trustee of Syngene Employee Welfare Trust.
19. Trademark license agreement dated April 20, 2015 between Biocon and our Company.
20. Corporate guarantee issued by Biocon Limited in favour of Maybank Investment Bank Berhad
21. Corporate guarantee issued by Biocon Limited in favour of HDFC Bank Limited
22. Surety dated December 23, 1999 issued by Biocon in favour of the Government of India
23. Surety dated September 14, 2001 issued by Biocon in favour of the Government of India
24. Surety dated August 20, 2004 issued by Biocon in favour of the Government of India
25. Corporate guarantee dated June 1, 2005 issued by Biocon in favour of the Government of India.
26. Corporate guarantee dated January 25, 2007 issued by Biocon in favour of the Government of India.
27. Consent of the Selling Shareholder, the Directors, the BRLMs, the Syndicate Members, Indian Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, International Legal Counsel to the BRLMs, Registrar to the Offer, Statutory Auditors, Escrow Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary, Chief Financial Officer and Compliance Officer as referred to in their specific capacities.
28. Due Diligence Certificate dated April 22, 2015 addressed to SEBI from the BRLMs.

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 reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct.

Signed by the Selling Shareholder

John McCallum Marshall Shaw

For **Biocon Limited**

Place: Bengaluru

Date: April 22, 2015

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Kiran Mazumdar Shaw
(Managing Director)

Peter James Jonathan Bains
(Director and Chief Executive Officer)

John Mccallum Marshall Shaw
(Non-Executive Director)

Catherine Patricia Rosenberg
(Non-Executive Director)

Charles Leland Cooney
(Non-Executive, Independent Director)

John Russell Fotheringham Walls
(Non-Executive, Independent Director)

Daniel Mark Bradbury
(Non-Executive, Independent Director)

Paul Frederick Blackburn
(Non-Executive, Independent Director)

SIGNED BY CHIEF FINANCIAL OFFICER

M. B. Chinappa
(Chief Financial Officer)

Place: Bengaluru

Date: April 22, 2015

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